### 'It's a Head Start on All Fronts'



"Currency traders in London participating in their historic first day of dealing in the euro, which showed gains.

### A Good Beginning, but the Jury Is Out After the Hoopla, How Will Euro Help Lives in the 11 Nations?

By John Vinocur

PARIS — As much as the markets seem to like the euro, its potential problems and contradictions have not vanished in what has been largely a rush of admiration for the common currency's smooth start.

Against the background of Europe's changed political dynamic, its regional differences, its difficulties in creating jobs and growth, and the European Central Banks, and the European Central tral Bank's own narrow definitions of its tasks, the euro's first day out in the cold marked a good beginning, but an in-

conclusive one.
! If it signaled that the euro was a promising market instrument, it gave oothing away about how it would func-

effect on Europe's nations and people. Analyzing the difficulty of the undertaking, the International Monetary Fund, the Bundesbank and the Organization for Economic Cooperation and Development all found tones last year well short of this week's

balloons and cham-ANALYSIS pagne, or its talk of new world roles and burgeoning prosperity. "Unfortunately," the IMF said, "there are risks that sufficient progress will not be made in implementing the desirable policy strategy for the euro area."

Among the many noscible conflicts

Among the many possible conflicts conditioning the success of Economic and Monetary Union — less its exchange rate against the dollar than its capacity to generate new jobs and the

violence, said that police and army re-

inforcements had now secured the in-

dustrial town, restoring a semblance of

calm although the situation remained

tense. Lhokseumawe lies about 1,600

kilometers (1,000 miles) northwest of

the capital Jakarta on the northern tip of

He said there were nine dead, all civilians, including three people who

were killed by a separatist group be-cause they were helping the security

while they were setting the police sta-tion at Mtangkuli on fire. Three other

persons were killed in a fight with se-curity forces, said Colonel Johnny Wa-

hah, the military commander of East

He accused separatist rebels of using

Following the violence, eight bodies

were taken to the local hospital but the other one was removed by local people for burial. Colonel Wahab said security

forces opened fire after about 3,000 pro-

separatists rioted Sunday, attacking and looting government buildings. During

the riot, mobs torched four police sta-

tions, the office of a local district chief,

an immigration office and a warehouse,

Colonel Wahab said security forces

See ACEH, Page 8

civilians as a shield to hide snipers

shooting at security forces.

Two people were sbot by the police

political hitch without a ready solution. The hitch lies in the contradiction between the intervectionist and statist reflexes of the leftist governments of Germany, France and Italy, the currency group's three leading economies, and the tight rules of the EMU's Stability and Growth Pact rules on debt, deficits and inflation. With little growth projected and job creation held to a min-imum, the new independent central bank, required to defend an inflation target of 2 percent per year, could quickly come under pressure, creating an opeo political struggle about interest rates, or broken promises by fiscally promiscuous countries.

The contradiction extends further, to the EMU's concept of growth, based oo

## Powerful Debut for Euro; Stock Markets Also Surge

### For Consumers, Easy Transition

By Barry James
International Herald Tribun

PARIS — On Friday, Dominique Bi-chut stepped up to the ticket window of Sabena Airlines at the Brussels airport and purchased a round-trip to Frankfurt. paying in the new European single currency, the euro, with ber credit card issued by a French bank.

She was one of the first, and so far one of the few ordinary consumers to opt for payment in euros, but the movement is expected to catch on rapidly as more and more stores are equipped with credit-card terminals that can handle the currency. Admittedly, Miss Bichut is on the inside. She works for Europay International, the Brussels-based company behind Eurocard and other credit card

"People think that the curo is not real, purely because they do not yet have any euro notes or coins in their pockets,"

But as her experience showed, euro transactions using credit cards or checks are a reality, as well as simple. The amount charged shows up on the cus-tomer's credit-card or bank statement either as euros or national currency, or increasingly, both.

Many companies that have adopted the euro as their accounting currency are euro-denominated ont paychecks as well. But employees should notice no differences, since banks have agreed that payments made in euro. can be withdrawn in national currency

without paying a conversion fee.
Under rules adopted by the European
Union, conversions must be made at the official rate to six significant figures. Sams converted into euros will be rounded up or down to the nearest cent, while sums converted from curos will be rounded up or down to the oearest national subdivision, such as pfennigs or centimes.

### **A Single Currency** By the Numbers

The advent of the euro redraws many of the currency, stock-market and other tables used by travelers, investors and general readers of the International Herald Tribune.

The euro exchange rate against the dollar is now in the daily Page One markets table, below. Other changes are described on Page 11.

	The Dollar	
New York	Monday @ 4 P.M.	· previous close
Euro	1.1828	
Pound	1.6607	1.6542
Yen	111.925	. 113.25
DM ·	1.653	1.6646
FF	5.5475	5.5898
Dollars per pe	ound and per auro.	
	The Dow	
<b>T</b>	Monday close	percent change
+ 2.84	9,184.27	+ 0.03%
	S&P 500	
*	2.0	
1.13	. 1,228.10	0.09%
	Nasdag	
7	9.	
+ 15.29	2,208.04	+ 0.70%
	CHE CONT.	1 0.1 0 10

damental principle behind the euro is that citizens should lose nothing by using the new money, and therefore conversions need to be calculated very precisely. But simple two-way calculators are widely available, with some banks are giving them away free to their clients.

Settling cross-border payments in curos eliminates exchange risks and costs, as the currencies of the 11 countries that have adopted the euro are all effectively subunits of the single money. But exchange bureaus are still allowed to charge a commission for

CONSUMER, Page 15

### New Money Up Against Dollar

By Torn Buerkle

LONDON - Europe's single currency made a powerful debut on world financial markets Monday as the euro rose against the dollar and the yen, and prices of European stocks and bonds surged in anticipation of a boost from

monetary union. The rare rally of virtually all European assets represented a bullish re-ception for the biggest change in in-ternational finance since the introduction of floating exchange rates 26 years ago.

A few surprises for U.S. traders. Page 15. • Asian markets bid the euro up. Page 11.

The strength of European markets signaled a high level of confidence among international investors in the euro and the European Central Bank, analysts said, a feat of no small significance after the years of political and market turbulence that led to the currency's birth.

'It's a head start for the euro on all fronts," said Joachim Fels, senior economist for the 11 euro countries at Morgan Stanley Dean Witter in London. "This is a very strong endorsement of the benefits of EMU," he added, referring to Economic and Monetary Union.

Norbert Walter, chief economist at Deutsche Bank AG in Frankfurt, attributed the marker reaction to exuberance about the euro's long-term effect on the European economy and a bandwagon effect among previously skep-tical investors, particularly in Asia and North America.

"They see that this market is moving and they don't want to be the last ones to

join," Mr. Walter said. But while the euro's strength may oke European pride, it also could pose a challenge by threatening to make the bloc's exports less competitive and by further slowing an already weakening

economy.

That risk was underscored by a German purchasing managers' survey that indicated the euro zone's biggest econ-omy slowed dramatically in Decem-

"Euro strength is likely to continue." said Jim O'Neill, currency strategist at Goldman, Sachs & Co. in London. "The key dilemma is at what pace. I can see that the European Central Bankwouldn't want to see it strengthen so mnch." Alison Cottrell, senior European economist at Paine Webber in London, said: "If the curo were to appreciate strongly, that would be one of the worst things for business confidence

in these countries.' The euro rose to \$1.1830 late Monday from \$1.1747 at the start of trading in Asia and well above the reference rate of \$1.16675 given by the European Central Bank on Thursday, when it fixed exchange rates among the 11 euro countries. Stock prices soared, with market

See EURO, Page 15

### 9 Die in Separatist Riots In Indonesian Province

Troop Reinforcements Deployed to Aceh

New York Times Service

JAKARTA — At least nine people were killed, more than 20 injured and scores arrested in a weekend of violence in Aceh Province following a clampdown by Indonesian security forces

tainst pro-separatist rioters.
Helicopters and troop reinforcements have been deployed to the area, according to a senior military commander. Defense sources say the vi-olence is the most serious since the Indonesian military promised to withdraw its forces from the northern Sumatran province last August, a promise that looks increasingly difficult to

[President B.J. Habibie appealed Monday for an end to the violence, The Associated Press reported. "Nowadays, we witness the signs of a lack of patience among some people in society,"
Mr. Habibie said in a televised speecb marking a Muslim celebration. "People are easily moved to violations and unrest. In fact, all that only harms our own

Aceh is a Muslim province and has been a hotbed of separatist activity since Dutch colonial times. Brutal counterinsurgency operations mounted by the bilitary during a nine-year campaign nave only served to inflame anti-army

Human rights groups and local people have accused the military of rape, torture and summary executions on Aceh. In August, the army apologized for abuses, saying it was withdrawing its forces from the province. However, separatist violence has flared

In a telephone interview, a senior army commander based at Lhokseumawe, the scene of the most recent

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Shozahuro Nakamura has been in the Japanese cabinet since July.

### An Attack by a Friend

U.S. Relies on Threats, Japan Minister Says

TOKYO — The Japanese justice minister accused the United States on Monday of relying on military threats to protect its own market, the Kyodo news agency reported.

"America's 'free-market economy,' is not free," Justice Minister Sbozaburo Nakamura was quoted as saying in a New Year's greeting to ministry officials and prosecutors.
"It is the kind of freedom that can let

loose atomic bombs and missiles when another country looks to be winning." Ministry officials were not available for comment late Monday.

Mr. Nakamura, 64, also criticized the United States for "threatening" countries with measures such as its "Super 301" trade law, which allows Wash-

ington to impose sanctions on trading partners whose practices it deems unfair. 'This is, by no means, free competition," he was quoted as saying.

Mr. Nakamura has been a member of Prime Minister Keizo Obuchi's Cabinet since July. [A State Department spokesman in Washington told the International, Herald Tribune that Mr. Nakamura

"does not speak for the Japanese gov-ernment on economic matters." The spokesman, who commented on condition of anonymity, indicated that Mr. Nakamura's comments would not be a matter of keen concern to the U.S. government, saying, "We look to of-ficials who deal with economic issues for statements regarding our economic

### British Government Scandal Claims Another Victim

By Warren Hoge New York Times Service

LONDON - A scandal that has already cost Prime Minister Tony Blair his closest political confidant and a principal connection to big business claimed a third government victim on Monday.

Charlie Whelan said he was leaving as press secretary to Gordon Brown, chancellor of the Exchequer and the second most powerful man in the Blair government, because the "absurd" level of public attention to his possible role in the departure of the two officials nearly two weeks ago made it too difficult for him to carry on with his job.

On Dec. 23 both Peter Mandelson, 45, the trade and inclustry minister and Mr. Blair's chief aide and the architect of the Labour Party's election victory in 1997, and Geoffrey Robinson, 60, a millionaire industrialist

who served as paymaster general, quit their posts.

Behind all three departures lay a secret £373,000
(\$625,000) home loan from Mr. Robinson to Mr. Mandelson in 1996 that Mr. Mandelson failed to reveal even when Mr. Robinson's outside financial affairs became the subject of the department that Mr. Mandelson had come to bead.

The episode has become the first major disruption in the smooth running operation of the 20-month-old Blair government. Mr. Blair has obtained the highest

approval ratings of any prime minister in British history, but when he returns from a state visit to South Africa this week he will face challenges to his gov-

ernment's reputation for discipline and control. He campaigned for office vigorously on assertions that his government would end the kinds of scandals that forced out 12 of Prime Minister John Major's ministers in the previous Conservative government. The current incident exposes tensions between his office and Mr. Brown's that date back to the keen competition between the two men for the leadership of the party after the death in 1994 of its former bead,

See BRITAIN, Page 8

### Just What's Inside Room 529 in Seoul?

Some in the National Assembly Suspect It Harbors Spies Watching Them

By Nicholas D. Kristof New York Times Service

TOKYO - Room 529 in the National Assembly Building in South Korea has an inconspicuous brown door that is usually locked, but a growing mystery about what goes on inside has set off n ferocious political dispute and raised questions about whether the country's

spics are running out of control. The dispute erupted last week when an opposition member of the National Assembly announced that he had information from a source he could not disclose that the national spy agency

was using Room 529 as a base to conduct surveillance on members of the assembly.

That announcement set off a furor, with opposition members conducting a round-the-clock sit-in outside the door, which had not particularly attracted attention before.

The next day, New Year's Eve, the increasingly frustrated opposition legis-lators broke the lock and forced their way in, seizing 59 documents that they say show that the room was used by the spy agency, the Agency for National Security lanning, to monitor politicians. "the was a clear violation of the law,"

Korean freedom of speech. The accusations are particularly res-

onant in South Korea, a young democracy where the spy agency — formerly known as the Korean Central Intelligence Agency -- operated for decades beyond any law.

said Lee Shin Born, the member of the

National Assembly who first asserted

that Room 529 was a surveillance cen-

ter. "This is a serious challenge to

President Kim Dae Jung, a former dissident whom the former agency tried to kill, has vowed to stop the new agency

See KOREA, Page 8

#### AGENDA

#### Elizabeth Dole Hints at Her Aspirations

PAGE TWO The Unveiling of the Crown Jewels Page 9. Opinion Pages 6-7. Pages 18-19.

#### A Toxic Windfall

Residents of a Cambodian village were happy to use the bags of a white material dumped near them. Now they are suffering from the mercurylaced waste they contained. Page 4.

WASHINGTON (AP) — Elizabeth Dole, wife of the 1996 Republican presidential candidate, Bob Dole, announced her resignation Monday from the American Red Cross, apparently to pursue a potential White House bid of ber own.

Mrs. Dole, 62, in announcing her departure, hinted at her aspirations. At this important time in our national life, I believe there may be another way for me to serve our country," sbe said.

An adviser to Mrs. Dole, speaking on condition of anonymity, said there were plans to form a presidential exploratory committee next month

## A Royal Catalogue Unveils Gems of History

ONDON — The most valuable gemstone ever found, the 3,106-carat Cullinan diamond, was once put into a package and mailed parcel post from Johannesburg to London, where it arrived in perfect condition.

Queen Elizabeth II has a solid gold salt shaker that stands 18 inches (46 centimeters) tall, weighs 14 pounds (6.3 kilograms) and is known as "The

King William IV did not have much fun at his coronarinn in 1830. The finppish monarch insisted that every diamond, ruhy, pearl and sapphire he could find be encrusted onto his crown. That made the crown so heavy it gave the ruler a royal pain in the neck and a toothache so severe he had to

interrupt the coronation to have a molar removed. These anecdotal gems, plus hundreds of other tales of natural gilt and human guilt, are set forth in a

most unlikely new publication: the Official Inven-tory of the crown jewels of Britain's royal family. When a team of accountants and gemologists set out 15 years ago to catalogue the lavish collection of the House of Windsor, it was assumed that the chief product of their work would be, essentially, a spreadsheet: a listing of the location and condition of each of the 22,599 precious stones and the court

regalia belonging to the royal family.

In fact, though, the inventory produced such a trove of anecdotes about royalty and riches that the catalogue has become a weighty two-volume work of history focusing more on human foibles than on diamonds and pearls.

"The project turned nnt bigger than we expected, because we had so much fascinating material," said Shirley Bury, a metallurgist and historian who was signed on to help catalogue the royal spoons, spurs and swords. "Of course we had to publish our listings," she said. "But we felt we needed to set out the history of the collection as well."

The history of Britain's crown jewels dates back about 1,000 years, but the collection has changed countless times over the centuries. Kings and their kin reneatedly have had to pawn the jewels to wage war, rebuild burned palaces and pay royal downes.

In the Middle Ages, kings routinely carried the crown jewels off to battle, partly becaose they did not trust their royal cousins back home at the palace. and partly because the sparkling diadems sometimes had to be hocked, piece by piece, to feed the

soldiers in the field. The royals made things tougher for the inventory team because of their inveterate habit of moving jewels from one item to another. A sapphire that was supposed to be in the ring of King Edward the Confessor when he was buried in the 11th century now sits atop the Imperial State Crown - the crown Queen Elizabeth II wore in November for the opening of Parliament. The same crown also has a pair of pearls that reportedly fell off the oecklace of Mary,

Queen of Scnts, when she was beheaded in 1587. For centuries the royal family was so broke that it had to rent gems from London jewelers to stick on the crown for coronations and other glittering moments. As Britain became an imperial power, however, the



Queen Elizabeth II of Britain, wearing the Imperial State Crown, speaking before the opening of Parliament in November. The crown contains gems that have belonged to many past monarchs.

royal family was gradually able to accumulate its own hoard of crowns, pendants, brooches and or-naments of gold, silver and platinum.

Queen Victoria, the 19th-century monarch who reveled in the plunder brought back from her global empire, was a particularly avid collector, Among her prizes was the thumb-size Indian diamond known as the Knhinoor, or the Mountain of Light, the jewel that inspired Wilkie Collins's elassic mystery story "The Moonstone."

The Kohinoor was a giant among gems, weighing 186 carats; hy contrast, the most famous diamond in the United States, the Smithsonian's Hope Diamond, weighs 45.5 carats. Today the Kohinoor is one of 2,800 diamonds in the crown of Queen Elizabeth's 98-year-old mother, who is known as

Even the Mountain of Light would dim, though, beside the higgest diamond ever discovered, the Cullinan diamond. It was found in Pretoria in 1905. The new trans-Atlantic telegraph cables quickly made the Cullinan an object of global fascination. Since Snuth Africa, too, was a British colooy in those days, all agreed that the gem had to be shipped to Londoo for presentation to King Edward VII. This great prize became the dream snatch of jewel thieves the world over, and months were spent contemplating how to transport it safely.

In the end, Scotland Yard decided that the best rule to fullow would be "the simpler, the better." The diamned as big as an eggplant was sent in an unmarked package by parcel post, and arrived a month later in the royal mailbag at Buckingham Palace. The Cullinan eventually was cut into a set of

huge gems, known as the Stars of Africa.

Today, the diamond known as Star of Africa I, an egg-size gem weighing 530.2 carats, is set in the royal scepter, a bejewcled staff each new British monarch carries in the coronation ceremony. Star of Africa II, at 317.4 carats, is in the Imperial State Crown, although members of the family occasionally wear it as a brooch.

The official inventory also lists all the items in the glittering warehouses where the queen's official dinnerware, or "Banqueting Plate," is kept. That 14-pound gold salt shaker is one of the most dramatic items nn the queen's table, but even it has been eclipsed by the family's Grand Punch Bowl, an ornate golden utensil about the size of a bath tuh that holds 29 gallons (110 liters) of champagne. Queen Victoria used to have her children baptized in it.

For all their years of counting and cataloguing, the state auditors never resolved the question most often asked about the crown jewels. "Everybody wants to knnw how much the jewels are worth, said Ms. Bury, the historian who worked on the inventory. "There's only one answer we can offer, hut it doesn't satisfy a soul. We just say the collection is 'priceless.

The official catalogue of the collection is not priceless, but it could definitely be called pricey. Just published by the Stationery Office - once a goverroment printing agency but now privatized — the compilation of this first-ever inventory may require that you sell some of the family jewels to buy it. The two-volume set costs \$1,700.

### Kosovo's Serbs Endure A Life 'Like in Prison'

Despair and Defiance Mark Ethnic Minority

By Peter Finn Washington Post Service

PODUJEVO, Yugoslavia — On the door of the Doknic family's third-floor walk-up in the middle of this depressed market town, a razor-thin cross recently was scratched in the white paint. One flight below, a similar mark is on the door of the Stojanicas, the only other Serbian family living in this building with seven apartments.

Above the Doknics, oo the top floor, a bullet has pierced the living room window and a fist-size piece of the back wall has been blown away - allegedly the result of a rifle shot fired from an ethnic Albanian rebel stronghold near the village of Lapastica.

No one was hit, but the family that lived in the fourth-floor apartment fled. leaving their keys with the Doknics.

As he walks down the building's grimy stairs, Zoran Doknic, 33, passes a young ethnic Albanian neighbor. They do not acknowledge each other. And out on the street, busy with foot-traffic ma-neuvering in the dirty slush, Mr. Doknic glances around warily, a man who no

ionger trusts his front stoop.

"All day we close our doors," said his wife, Snezana, 32. "The children are not playing in a normal way. They are sitting in the house all day like pensioners. That

is our life. Like in prison."

Despair and defiance mark the claustrophobic lives of the Doknics, Kosovn Serbian civilians who angrily fear with some jostification — that they are being squeezed from their homeland, one frightened family after another. They believe that their fellow Serbs to the north, especially in the capital, Belgrade, are ignorant of their plight. They say the West deliberately caricatures them all as maranding killers unworthy

Yet, for all their woes, they have only contempt for the political aspirations of ethnic Albanians, their neighbors, who make up 90 percent of the population of this Serbian province. "Podujevo used to be a Serb place." Mr. Doknic said. "But people are leaving. We are being isolated by terrorists."

Serbian civilians have moved into the ruins of Podujevo, having abandoned the surrounding villages. The Kosovo Liberation Army continues to hold parts of the Podujevo region, in an uneasy truce with Serbian military forces.

In the Doknics' small but proudly ocat apartment, there is much hitteiness hut little room. And in recent weeks, the oppressive tension that causes the Doknics to live behind closed curtains at

high noon bas sharpened. On Christmas Eve, the Kosovo Liberation Army and the Yugoslav Army plus Serbian police officers began four days of clashes near here, breaking a fragile cease-fire that was agreed to in October by the U.S. envoy Richard Holbrooke and President

Slobodan Milosevic of Yugoslavia. The cease-fire is being monitored by unarmed officials from the Organization for Security and Cooperation in Europe, which eventually brokered a

truce, ending the latest fighting.

But in succeeding days, the bodies of
Serbian and ethnic Albanian civilians have been found on the road, bullets in their heads. Serbs have been kidnapped and released. The last Serbian civilians living in the villages of Lapastica and Obrandza left Saturday for Podujevo,

the nearest big town.
In all, 35 Serbian families have left surrounding villages; there are now no Serbs living in villages near this town,

officials said. And most of the children in the area ave been sent to relatives elsewhere in Serbia or in Pristina, the capital of the Kosovo region.
"It is ethnic cleansing," said Milovan

Tomcic, the Serbian mayor of Podnjevo, "There is no other word for it."

Markovic Stojanica, 48, tends her farm ontside town by day, feeding her livestock, lighting a fire to keep the damp ont of her house and returning to an apartment in Podujevo before nightfall. "If something is not changed, there is no life for even one Serb here," she said. "What kind of state is this? We want our state to protect us."

Kosovo was the site of a battle in 1389 that led to Turkish domination of Serbs for five centuries. The Serbian Orthodox Church was founded here. The region is often referred to as the cradle of Serbian civilization, explaining the nation's attachment to the place. But the Doknics and Stojanicas do ne speak of battlefields and monasteries. defeated princes and holy ground.

"My grandfather came here 100 years ago," said Mr. Doknic, who was a driving instructor until the war last year cost him his job. Like most Serbs, he continues to receive a salary from the state,

"This is our home." he continued But he said he is considering leaving, if only so that his two children, ages 5 and 8, will no longer be afraid to play onl-

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side and can go to school without being accompanied by an adult.
"Where to go?" he asked quietly, reflecting on his fear that there is not much for him elsewhere in Serbia. Indeed, Mrs. Stojanica said that when

she talks to friends and relatives else where in Serbia, she often believes they would not be able to find Pristina on a map. But, minutes later she said that Serbs would come to the province's defense — if only they understood, if only NATO was not threatening Mr. Milosevic.

Like many Kosovo Serbs, the families of Podujevo cootend that the of-fensive last summer against the Kosove Liberation Army was necessary to root out "terrorists."

They dismiss suggestions that the campaign's principal victims — more than 1,000 dead and tens of thousands homeless — were ethnic Albanian ci-

"That is a lie," Mrs. Stojanica said "The police were doing their job. 1 would be the first to object if the police

were harassing civilians." The 1.8 million ethnic Albanians. long sobservient to Serbs in the govemance of Kosovo, want independence from Serbia, the dominant republic of Yugoslavia. And they are impatient with international mediators who want settlement based on political autonomy

oot the creation of a state. But for these Kosovo Serbs, even autonomy is an unacceptable form of surrender, and unnecessary. They assert that the Kosovo Liberation Army has hijacked the world's attention and inposed an agenda on "deceot Albani ans," who, they say, actually want Kosovo to remain a part of Yugoslavia, "They have plenty of autonomy," Mrs. Stojanica said. Speaking of ethnic Al-banians, she added: "Life is wonderful for them in Kosovo.

### U.S. Storm Paralyzes **Air and Road Traffic**

The Associated Press

NEW YORK - The misery created by a huge winter storm in eastern North America stretched into a third day Monday, with frustrated air travelers still waiting for flights, with highways slippery or clogged by snow and with thousands of

customers lacking electricity. Hundreds of school districts of New England canceled classes. The police counted scores of accidents on ice-covered roads from Maine to South Carolina, and some Indiana roads were closed.
"It's kind of desolate out there," said Jeff Schneider, a road

commissioner for Hittle Township in central Illinois. "I don't see anybody but me, and I'm wondering why I'm bere."

At least 56 deaths had been attributed to the huge snow and ace storm in the eastern half of the United States and Canada since Friday, many due to heart attacks brought on by shoveling snow. Seven of the deaths were reported in Ontario, where many towns were virtually shut down by 16 inches (40.6 centimeters) of snow.

Outside the snow belt, temperatures fell to minus 29 Fahrenheit (minus 34 centigrade) in North Dakota and the wind chill at Morris, Minnesota, was minus 64. Three weekend deaths in Oklahoma and Nebraska were attributed to the cold.

In Chicago, 21.6 inches of snow fell at O'Hare International Airport from Friday through early Sunday, the biggest total for a single storm since 23 inches fell during a blizzard in 1967. Twelve of the deaths were in Illinois.

The hlowing snow brought air travel to a near standstill Saturday as most major carriers canceled the bulk of their flights in and out of Midwest hubs.

United Airlines canceled 60 percent of its flights nut of Chicago on Sunday, and American Airlines canceled at least half. By Monday morning, there were only a few cancellations at the airport, but there were still many stranded travelers trying to get on flights. In Detroit, Northwest Airlines managed only a handful of

flights Sunday. On Monday, Northwest said none of its flights would land at Detroit before noon, and continued cancellations and disruptions were expected throughout the day. Hundreds of flights were canceled Sunday at Pearson International Airport in Toronto, and Air Canada and Ca-

nadian Airlines International said the backlog might not be cleared before Wednesday. More snow was expected. An additional foot of snow was forecast Monday in southwestern Michigan. Buffaln, New York, got so much snow that travel in the city was banned and the airport and public offices were closed. Snow feil at a rate of 1 to 2 inches an hour and wind gusting to 45 mph caused

blizzard conditions. Snow turned to sleet and rain as the storm moved eastward.

#### DEATH NOTICE

Madame Orlandus WILSON, her husband; Mr. Charles O. WILSON, her son; and all his family have great sorrow in announcing the death of Monsieur Orlandus WILSON of Golden Gate Quartet who passed away on 31st December 1998, at the American Hospital in Neuilly-sur-Scine. The funeral will

take place in Norfolk, VA., U.S.A.

#### Correction

A photo capting in the Saturday-Sunday edition mistakenly noted the end of the Muslim holy month of Ramadan. Because the Islamic calendar is lunar-based, the month ends, strictly speaking, with the sighting of the new moon, expected on or about

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A ground crew at Detroit Metropolitan Airport using a high-pressure hose to remove ice from a jet engine. The storm stranded thousands in the Midwest and East.

### TRAVEL UPDATE

### U.S. Embassy in Tel Aviv Reopens

TEL AVIV (AP) - The U.S. Embassy in Tel Aviv reopened Monday after security officials said the terrorist threat which prompted the closing of the embassy last week was not as credible as initially believed.

But an embassy spokesman said security procedures at the lediterranean beachfront compound would be reviewed. Meanwhile, the U.S. Embassy in Damascus will resume some consular services Tuesday after a two-week closure following a riot. Hundreds of demonstrators attacked the U.S. and British embassies and their cultural centers on Dec. 19 to protest the twn nations' air strikes against Iraq.

### Face-Lift for Amsterdam Airport

AMSTERDAM (AP) — Schiphol Airport is planning a 1 billion guilder (\$532 millinn) renovation as it spruces up for the new millennium.

Plans at the fast-growing airport include renovation and expansion of the waiting lnunge and construction of a shop-ping center, Gerlach Cerfontaine, the Schiphol president, announced Monday.

Striking railroad workers demanding higher wages disrupted rail traffic in parts of Hungary on Monday. Traffic was halted at Hegyeshalom, the main rail crossing into Austria, and serious disruptions were reported in eastern

Protests by Olympic Airways pilots delayed flights and left passengers on flights from Paris and London stranded, the Greek airline said. The pilots are protesting overtime requests and are calling for the abolition of a new tax on their salary.

### **NASA Sends Probe** To Seek Mars Water

CAPE CANAVERAL, Florida -- Continuing its scientific assault on Mars, NASA launched a compact robotic lander Monday that will set down near the red planet's south pole in December to search for water locked away in its frigid soil.

The idea is to find out what happened to the uning water that once carved the Martian surface and to determine if life could have evolved before the environmental catastrophe that left Mars the

presumably barren planet it is today.
"One of the most compelling questions that NASA's space program is determined to answer is whether life on Earth is unique or whether it is a cosmie imperative," said Ed Weiler, associate administrator for space science at the National Aeronautics and Space Administratioo. "If you want to look for life, either fossilized life or existing life, you have to fallow the water."

The 639-pound (290-kilogram) Mars Polar Lander, launched here atop a Boeing Delta 2 rockct, is the second of two missions in the \$193 millioo

Mars Surveyor '98 program.
The first, called the Mars Climate Orbiter, was successfully launched Dec. 10. It will slip into orbit around Mars in September to carry out panoramic photographic surveys and to probe the planet's tenuous atmosphere.

The polar lander is scheduled to touch down roughly 15 degrees north of Mars's south pole on Dec. 3 during spring in the planet's southern hemi-sphere. It survived the launch Monday in good shape, officials said, although its navigation system. had problems locking onto the proper guide stars.

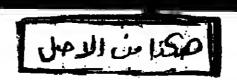
### WEATHER

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### No Delay For Clinton's **Key Speech**

State of Union Address 7) To Go On Despite Trial

By Brian Knowlton

WASHINGTON — Shrugging off calls from several senators, the White House spokesman said Monday that President Bill Clintoo had no plans to delay his delivery of the State of the Union speech oo Jan. 19.

The outlines of the president's impeachment trial — which one senior senator described Monday as "the trial of all time" - remain blurry, with proponents of a telescoped legal pro-ceeding arguing behind the scenes with those who favor a months-long trial that would bring key witnesses before the

A number of senators said Sunday that it would be inappropriate for the president to deliver the State of the Union message, one of a U.S. president's few constitutionally prescribed obligations, if his impeachment trial is under way. To do so, said Senator Slade Gorton, Republican of Washington, would be unseemly and distracting.

The White House spokesman, Joe Lockhart, said such a delay was not being considered. "The president is hard at work on putting together the State of the Union address," he told reporters. "We're planning to give that on Jan. 19." He said he was unaware of any requests by Senate leaders to change the date.

.. Mr. Lockhart indicated, however, that the White House approach might change when Senate plans for an impeachmeot trial, or possibly a preemptive vote that could make such a trial unnecessary, become clearer after the 106th Congress coovenes Wednesday. Those arrangements are going to be discussed this week and we'll wait to see bow that works out," Mr. Lockhart

The 45 Democratic members of the new Senate and the 55 Republican members are to meet in separate onucuses this week to hammer out strategies for proceeding on the two impeachment counts, alleging perjury and obstruction of justice, approved in votes last month by the House of Rep-

Most Democrats favor either an ex-pedited trial or a "circuit-breaking" vote to determine early whether, even if the charges are proved, the 67 votes needed for conviction could be obtained.

Lott of Mississippi, has been working with his Democratic counterpart, Tom of perhaps four days. No witnesses

would be called. Republicans, bowever, are sharply split. Some, particularly conservatives and the most pointed critics of the president, want a full-blown proceeding, possibly including witnesses such as Monica Lewinsky, the presidential secretary Betty Currie, and top presidential

friends and aides. " Mr. Lockhart said Monday that there was little chance the president would accept the suggestion by some senators that he submit a written State of the Union report rather than deliver it in person before a joint session of Congress, as is dictated by tradition but not

the constitution. The annual speech is one of a president's most widely watched performances, allowing him to set forth his ision of a oational agenda for the com-

ing year.

Last year, as it happened, Mr. Clinton gave the speech only days after news stories first reported on his relationship with Ms. Lewinsky. He made no mention of the burgeoning scandal, and re-ceived generally high marks for his de-

Before the era of television, presidents submitted their annual addresses to Congress in writing.

The calls for a delay in the State of the Union speech raised questions from some Democrats, who asked why this one presidential function should be suspended while others - even the power to order military strikes against Iraq -

remained in place.

Senator Arlen Specter of Pennsylvania, a senior Republican, said he opposed a delay in the State of the

Union speech.
'I do not think the State of the Union ought to be deferred, or at least I think it Dught to be up to the president," he told reporters on the White House driveway. I think that it's very important that we Conduct business as usual."

Mr. Specter has called, however, for a full trial with witnesses. He said Mooday that such a trial would be the most important "in the history of Anglo-Saxon jurisprudence." He called it the "trial of all time."

Mr. Lockhart, asked by reporters about Mr. Lott's plan to expedite proceedings, said the matter was op to the Senate. "It's our bope that they come up with a process that's fair, bipartisan and expeditious," Mr. Lockhart said.



Representative Dennis Hastert, right, expected to be the next House speaker, shown in his Washington office with fellow Republican representatives, from left, Jerry Weller, Thomas Davis and Mark Folcy.

### Can Congress Rise Above the Furor?

Major Legislation Is Imperiled as Impeachment Takes Center Stage

By Eric Pianin

WASHINGTON - With President Bill Clinton facing a Senate trial and the Hoose Republican leadership in disarray, the oew Congress convenes this week with serious doubts that it can rise above the impeachment furor to leave a lasting legislative legacy.

Campaign finance reform appears dead for another year, and few serionsly believe that Congress will pass a major tax cut or anti-smoking legislation. While prospects are fairly good that Congress will revive left-over banking legislatioo and a patients' bill of rights for health maintenance organizations, most other major legislative initiatives seem in peril.

Yet surprisingly, some oo Capitol Hill and within the administratioo insist that Social Security reform — arguably the most sensitive issue of all - is the one major area where consensus may prove possible. Some analysts say that if Mr. Clinton survives his Senate ordeal, he and his Republican antagonists may find it mutually advantageous to work out a compromise to assure the longterm health of Social Security.

"I'm sure in their guts both sides would like to rocet in a dark alley and former director of the Congressional stwo parties.

Budget Office. 4 But for appearance - However, there are some items left Daschle of South Dakota, to craft a sake, if nothing else, they may have to over from last year - incloding educompromise approach calling for a trial cooperate to a greater degree than they cation initiatives and adopting some did in the last session."

motions of preparing for another year of parties for a major military huildup after budget and legislative jousting as if nothing were out of the ordinary. Mr. Clinton is scheduled to deliver his State of the Union address Jan. 19 to a joint session of Coogress and will submit his 2000 budget to Congress on Feb. 1. But rarely has a new Congress taken over in so bitter and uncertain a political climate. While Mr. Clinton clings to power, Representative Dennis Hastert, Republican of Illinois, a little-known

chief deputy whip, prepares to assume the speakership of a fractions House after two months of extraordinary leadership turmoil. At the very least, many politicians and analysts agree, the high-profile items before Congress won't be going anywhere this year. Mr. Hastert has vowed to press again for major tax cuts, but that proposal died in the Senate last year and there is little support for it among moderate Republicans and

Democrats.

Meanwhile, the administration will most likely try to resurrect teenage antismoking legislation and some type of tobacco levy to help offset the cost of its domestic initiatives. But those proposals have formidable foes in the Senate - as does campaign finance reform legislation that would limit or bar the

version of a proposal to crack down oo Even as Senate leaders prepare for the historic impeachment trial, White HMOs—that may be enacted this year. House officials are going through the And momentum is building in both years of post-Cold War downsizing.
Over the weekend, Mr. Clinton re-

vealed that he would propose to increase defense spending by \$110 billion over the next six years, incloding \$12 billion next year, as part of his 2000 budget submission. If approved by Congress, the increase would fund the largest military pay increase since 1984 and so-phisticated new jet fighters, attack heli-

copters and warships.

The request would bring defense spending in the year that begins Oct. 1 to \$296 billion and would represent the first substantial, sustained increase for the Pentagoo in 15 years, according to defense officials. It would be less than the \$148 billion increase sought by Peotagon leaders and less than some Republican leaders say is sufficient to enhance military readiness.

Because the administration coofinues

to adhere to the spending caps in the 1997 balanced budget agreement, it will be difficult to find the additional funds. Administration officials suggested some of it would come from programs whose costs may be less than anticipated because of low inflation and declining fuel prices.

### Wrestling With Office

As 'The Body' Takes Over in Minnesota, He and the State Wonder What He'll Do

> By Pam Belluck New York Times Service

ST. PAUL, Minnesota -- The new governor of Minnesota doesn't know exactly what he'll do in office yet, but he has made a decision about his daily

No appointments before 9 o'clock Norm Coleman. in the morning, he has told his staff.

"Arnold was very worried about me," the governor-elect said the other day. "Arnold told me I really have to get back to working out, so that's what

I'm going to do every morning."

Amold would be Arnold Schwarzenegger, of course. And he was offering advice to his friend and fellow muscle man, Jesse (The Body) Ventura, the former professional wrestler who happened to get elected in November to Minnesota's highest office.

With Mr. Ventura officially be-coming governor on Monday, there

was still a lot up in the air. How will Mr. Ventura, who won 37 percent of the vote under the banner of the Reform Party, work with a House of Representatives controlled by Republicans and a Senate controlled by Democrats? What will his policies be? And how will a self-styled outsider who ran under the slogan "Retaliate in '98" adjust to being part of the political establishment?

One thing seems clear; Mr. Ventura will be unlike any governor Min-nesota, or any state, for that matter.

He bas already been the subject of the Doonesbury comic strip and a guest on the Jay Leno and David Letterman talk shows. He has signed a six-figure book deal. And he is arranging for the sale of Jesse Ventura action figures and T-shirts with slogans like "In Jesse We Trust."

Even his elaborate series of inauguration events seems unprecedented, including a gigantic party this month for 13,800 people in a basketball arena, for which tickets at \$10, \$15,

governor comes in and you know where board disapproves. He has also asked be stands, who his enemies are and what stores not to sell the immensely pophe's going to do for the next four ular, but unlicensed, items that came years." Mr. Ventura, he said, is "work- out shortly after the election: T-shirts

Mr. Veotura, the strapping, chrome-domed, former bad boy wrestler, action-film actor and talk radio host, stunned prognosticators by trouncing two respected and wellknown opponents, the Democratic attorney general, Hubert Humphrey 3d, and the Republican mayor of St. Paul,

Many of his supporters were young people, especially men, and nearly half had only a high school education. They saw something refreshing in Mr. Ventura, whose previous political experience was as a part-time suburban mayor and who himself voted in only

4 of the last 14 elections. Now, Mr. Ventura has put away his leather jacket and jeans - and his occasional camouflage outfit and Australian bush hat.

He is getting used to a chauffeured sedan instead of his beloved Porsche. And he has submitted to a phalanx of bodyguards, because, he says, "It wouldn't be too good if the governor knocks somebody dowo."

Aware he has a lot to learn, he is

trying to get off to a strong start. He has assembled an advisory committee and immediate staff, drawing some of the more independent-minded people from all parties, people geography con-sidered skilled and knowledgeahle. He has spent time touring the state and

visitiog every state department.
"We're like the discoverers of the New World," Mr. Ventura said in his transition office in the basement of the Capitol building, where he has hung a neon sign with the words "Jesse the Gov" and an image of Rodio's "The Thinker," a pose Mr. Ventura struck in one of his campaign commercials, "There was no one who could sit there and say, 'Been there, done that.'

Sioce the election, Mr. Ventura, who is generally considered fiscally conservative and socially progressive on issues like abortion, has given few coocrete hints about his policies, saying be wants to be prudent and coosider a range of ideas.

and \$20 sold out loog ago.

'This is strange stuff,' said Steven
Schier, chairman of the political science
department at Carleton College in
Northfield, Minnesota. "Usually, a

To chairty if the state's campaign ethics
beard disarronnes. He has also asked ing hard at it and be's smart, but the and baseball caps that say, "My Gov-problem is he's got zero background." and baseball caps that say, "My Gov-ernor Can Beat Up Your Governor."

#### POLITICAL NOTES

#### Gingrich Advises Party to Cool It

PHOENIX, Arizona - Representative Newt Gingrich may be oo his way out of the speaker's office, but his mind is still actively concocting grand strategies to save the Republican majority in Congress that his critics say he oearly destroyed.

Most important, the Georgian told a group of conservatives here, Re-publicans oeed to present themselves as the party of tax cuts.

His big mistake last year, be said,

was failing to push for substantial tax cuts early in the year and then being too exhausted to focus on them later, when Washington became enveloped in the impeachment of President Bill

and rethink its approach to keeping the House and winning the presidency. Such passivity seemed a curious retreat for the self-declared leader of the Republican revolution, but it reflected what his friends said was his belief that Washingtoo had become too ferocionsly partisan to get any-

thing done.
"From the standpoint of the House and Senate," Mr. Gingrich said, "if we can adopt as our primary slogan 'Do oo harm' and simply block liberal measures for two years and set the stage for a Republican presidency," that is probably the most we can bope for, giveo the nature of the current Washington environment."

Still, he encouraged his party, if indirectly, to press forward with the impeachment process — a process that he was rebuked for overemphasizing during the elections last fall and that helped lose him the speakership.

Republicans, he said, should rule of law and do so without em- some conservatives.

barrassment" and "stand for the coo-

stitution oo matter what the cost.' Friends said Mr. Gingrich was determined not to attack Mr. Clinton in his speech. The phrase "rule of law"

has become Republican shorthand for pursuing Mr. Clinton for perjury. But that was Mr. Gingrich's only remark that drew resounding and sustained applause, and it won him a standing ovation.

He spoke here at a banquet that concluded a four-day annoal New Year's conference of about 300 conservatives called The Weekend, formerly the Dark Ages.

#### Ashcroft Showing Signs of Cold Feet

WASHINGTON — Senator John But he also urged his party to lie low for the next two years to regroup conservative former governor who spent the last year laying the groundwork for a presidential campaign, may

be getting cold feet.
Several supporters and Republican operatives said during the weekend that they believe he will oot run for president. One backer, speaking on condition of anonymity, said Mr. Ashcroft told him he was not likely to run. The senator is scheduled to an-

nounce his intentions Tuesday. Several backers, particularly Missouri financial supporters, are said to be urging Mr. Ashcroft to concentrate on retaining his seat in 2000. The

popular Democratic governor, Mel Carnahan, has decided to challenge Mr. Ashcroft. He has been courting social conservative leaders in his White House bid, a move that backers say could put him at odds with mainstream voters in his home state.

Attempts last month to reshape his message for a broader, more moderate 'calmly and directly stand for the national audience drew criticism from

# excitement of the first late. straight from the driver's cockpit, look no further.

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broadcaster - finance them through advertising revenues alone. RTL - the best sports can get. For further information, please contact:

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### **Away From Politics**

 Strong winds flipped an outrigger canoe, tossing six members of an experienced paddling team into the cold Pacific Ocean dressed only in shorts and T-shirts, Water temperature was 50 de-trees Fahrenheit (10 centigrade). One han died, another was missing and a find was in critical condition. The six set out from Channel Islands Harbor, north of Los Angeles in a 40-foot outrigger Sunday to row to an oil platform Broadway station. The suspect, Andrew

about 10 miles off the coast. About oneand half miles into the trip, the boat capsized in high winds and sank. No one

was wearing a life jacket. A man shoved a 32-year-old woman to her death under a subway train as it pulled into a Manhattan station in New York, police said. Kendra Webdale, a receptionist who lived in Manhattan. was killed Sunday at the 23d Street and

Goldstein, was charged with murder.

 Three men wearing ski masks broke into a Sprint Corp. telephone office in the Las Vegas region, tied op workers, shot them with stun guns and stole computer equipment, leaving an estimated 75,000 customers without phone service Sunday. The workers were not seriously injured, and police had no susBy Seth Mydans New York Times Service

SIHANOUKVILLE, Cambodia When 3,000 tons of industrial material from Taiwan was dumped in a field here a month ago, the poor villagers living nearby were thrilled at the windfall.

They emptied out chunks of the ce-mentlike material from the white plastic sacks to use for tents and canopies and bedding. They ripped open the bags with their teeth to get string to use as clotheslines and as fasteners for oxcarts. They rinsed out the bags and used them

"We thought we were in luck!" said Em Sim. 35, laughing at her folly. "Yes, we thought this was our lucky day. For me the bags were just what I needed to make a sleeping mat."

make a steeping mat.

The mat smelled a little like cement when she slept on it, she said. Then she started to have headaches. She began to feel thirsty and tired. She had difficulty breathing. She lost her appetite, suffered from diarrhea and began to lose weight.

Her 5-year-old son, Chhien, who played in the dusty waste material while his mother eathered the sacks, has de-

his mother gathered the sacks, has developed a rash and a fever and also bas been losing weight, Mrs. Sim said.
One after another, members of 40 families that evacuated the village of

Bet Trang told similar stories of mysterious ailments that began after dozens of trucks arrived in the night and unloaded the material nearby. In the weeks since then, the dump has

aroused international concern and caused a local panic. A dockworker who cleaned out the hold of a ship transporting the material died, and five others were hospitalized.

Learning of this, residents of Sihan-oukville fled the coastal city, then most of them returned. A riot broke out in the

two human rights workers who were advising the demonstrators on how to

A variety of tests determined that the waste material — compressed ash from an industrial waste incinerator - was contaminated with high levels of mer-cury as well as a possibly hazardous mix of other metals.

But debate continued over the degree of danger it posed.

The company that had sent the waste, Formosa Plastics Corp., said it had not been able to dump it in Taiwan because of a threat of public protests. The Cambodian government threatened to sue, and Taiwan agreed to take the waste back. Workers have begun sealing it in

The villagers said they first learned that they had been handling toxic ma-terial when local journalists arrived two weeks after it was dumped to take pic-

tures of them Just before Christmas, they said, the military sealed off the village and ordered them to leave. Apart from that, the villagers said, the government has ignored them. They have not been tested for poisoning, nor treated for their ailments. They have not been given alternative shelter. They are living as squatters and surviving on donations from the World Food Program.

The people of Bet Trang spoke without anger. "You don't usually see people getting angry about things around here because they have taken so much in their lives from people who have more influence than they do," said Michele Brandt, an American lawyer who works with Legal Aid of Cambodia, a local human rights group.

It remained unclear, one month after

the dumping, just how toxic the material is and what had caused the villagers' symptoms. Ms. Brandt, whose orgacity center, damaging several buildings nization is representing the affected and leading to a dozen arrests, including villagers, said government officials, in-

mbodian soldiers removing some of the 3,000 tons of mercury-laced industrial waste near Sihanoukville.

experienced in handling such emergen-cies, did not advise the villagers to move away when the possibility of poisoning was first raised.

Georg Peterson, the Cambodian representative for the World Health Organization, told Renters that although tests had found "extremely high" concentrations of inorganic mercury, the material posed little immediate threat to

He said blood and nrine tests on port workers and soldiers who had handled the material were normal and that none seems to have symptoms of poi-

But Ms. Brandt said the evacuees' exposure seemed to have been more direct and prolonged than that of the port workers and soldiers.

Hun Vuthy, 15, was among a group of youngsters who had romped in the

dumpsite. "We picked it up and played in it," he said. "It was interesting stuff, and I was curious." He is now suffering

from fever, diarrhea and weight loss.

Lan Chan Heng, 30, ripped some of the bags apart with his teeth to get the string that was used to fasten them. He said he now suffered from a white discharge from his eyes and from realing. charge from his eyes and from pain in his eyes and bones and joints that kept him awake at night.

BRIEFLY

#### Gunmen Attack Shiites in Pakistan

ISLAMABAD, Pakistan Gunmen riding motorcycles opened fire on Shiite Muslim worshippers as they knelt in prayer at a mosque in eastern Pakistan on Monday. killing 16 people and wounding at least 25, half critically.

There was no immediate claim of responsibility for the attack but the police said they feared it was part of the ongoing violence be-tween the rival Shine and Sunni Muslim sects that has killed hundreds of people in Pakistan, mostly in Punjah Province.

The attack Monday in the village of Quereshi More, 290 kilometers (180 miles) south of the eastern Punjah provincial capital of Lahore, occurred as 100 Shife worshippers were finishing morning prayers that marked the beginning of their day-long Remadan

The attack occurred one day after an unsuccessful assassination attempt against Prime Minister Nawaz Sharif at a bridge near his private residence in a town on file Lahore. That blast killed four people and ripped apart a bridge that Mr. Sharif was intending to cross. The police blamed the ethnic Muttahida Qaumi Movement for the attack. There was no evidence that the killings Monday were tour-

#### Seoul Backs Kim On North Korea

SEOUL — South Korea said Monday that it would stick by Pres-ident Kim Dae Jung's "sunshine policy" of attempted reconcili-ation with North Korea.

South Korea will continue to remain vigilant and, at the same time, maintain cooperation with North Korea in 1999," the National Security Council said: Youhap, South Korea's semi-of-

ficial press agency, quoted Mr. Kim as saying he would try to get Seoul and Pyongyang to resume dialogue. (Reuters) dialogue.

#### In Partisan Burma, Independence Fetes

RANGOON - Burma's military government and the opposition held separate railies Monday to mark the 51st anniversary of the country's independence from British colonial rule. They also attacked each other's political agendas.
Prime Minister General Than

Shwe said at a pro-government rally that the opposition National League for Democracy party faced the wrath of Burma's people for attempting to disrupt national ob-

Red-Light War on AIDS Committee of Calcutta Prostitutes Leads Model Program to Promote Condom Use By Celia W. Dugger

New York Times Service

CALCUTTA — In the Sonagachi red-light district, where thousands of women sell their bodies along narrow, thronged lanes, it is the prostitutes themselves who have become the leading crusaders against AIDS.

Like missionaries spreading the gospel, scores go forth each morning from brothel to brothel, preaching to madams, pimps and other prostitutes from the importance of using condoms, the most effective shield against HIV

And they have done much more than alk. These women, despised outcasts in Indian society, have organized more than half the prostitutes of Sonagachi Into a force with the influence to challenge any pimp or madam who would insist on a customer's right to sex withbut a condom. They call themselves a committee, but operate as a kind of labor

Later this year, the Indian government will use the Sonagachi project as its model in a large-scale battle against acquired immune deficiency syndrome, waged from red-light district to redlight district, across the vastness of this country of almost a billion people.

The hope is that if India acts swiftly, while the overall infection rate is still relatively low, at less than 1 percent of the total adult population, it can avoid the horrific burden of death that afflicts Africa. Even now, because of its immense population, India already has 4 'million people estimated to be infected with the virus.

In a line of work that spawns cut-throat competition among desperately poor women and that regularly prompts prostitutes to risk death by HIV in-fection for the equivalent of 50 cents per sex act, the Sonagachi project has knit them together to fight for their rights

Condom use in Sonagachi has soared, from 3 percent in 1992, when the project began, to 90 percent in 1998. Researchers who have conducted random sample surveys in Sonagachi have also found that HIV infection rates among prostimtes here have been held to about 5 percent, a small fraction of the 50 pericent of prostitutes who are infected in

Bombay.

Slowing the rate of infection among prostitutes and their customers is essential to protecting the general population, epidemiologists say.

The truck drivers and migrant workers who go to prostitutes are the same people who are carrying the disease back to wives and lovers in villages all

over the country.

These days, when Pushpa Das, 30, a prostitute in Sonagachi, is confronted by a man who refuses to diminish his pleasure by wearing a condom, she tells him to go away and knows her madam will back her up. "Sometimes I have to lose a cus-

tomer, but I don't want to get HIV," Mrs. Das said evenly. "I just return the

Mrs. Das cannot afford to die. Her husband is out of work. Her \$50 a month earnings keep hunger at bay for her 11year-old daughter. Asha, and her extended family. Before she became a prostitute, she had been making \$10 a month as a maid and her family was

down to one meal a day. The Sonagachi project pays 180 prostitutes about \$1 a day each to spread the word about AIDS and condoms. Britain, long the colonial power in India, pays for the project and is one of the largest foreign aid donors supporting health programs here.

This year the Indian government, with about \$50 million in financial backing from the World Bank, will begin using nonprofit groups and government agencies in a nationwide effort to mobilize prostitutes against the disease. The project in Sonagachi costs about \$210,000 a year.

"The experience from other parts of the world and from Sonagachi suggests that such efforts are the single most important thing that can be done to try to control the epidemic, 'said Prabat Jha, an epidemiologist at the World Bank who is team leader for its AIDS project One recent morning a group of pros-titutes sat on the balcony of their brothel

overlooking a vibrant, clogged lane in Sonagachi. It was too early for customers, so the women's faces were free of makeup. Over the jaughing of hand-pulled carriages and the cries of hawkers selling papayas, they spoke of the poverty that had driven them into the Mulan Sarkar, 21, was married at 15

and abandoned by her husband at 16, with an infant son, Anoop, to raise. There is no government safety net, so a year ago she went to Sonagachi. Her income now supports her parents, two siblings and her 5-year-old son.
Miss Sarkar shields Anoop from the

knowledge of how she makes a living, telling him only that she has to go to work while he stays with his grand-She said she refuses to have sex with-

force themselves on her, while others tear the condoms with their nails so they will peel off during sex.
"I'm very frightened about AIDS, she said. "My son and my whole family depend on me. My father is old and

out a condom, but some drunken men

won't be able to continue working. I have to live here for them. And it is a terrible pressure. The prostitutes who work in the Sonagachi project have used a combination

of sweet-talk and occasional arm-twisting to persuade madams about condom usage. Delegations of prostitutes, wearing distinctive green medical jackets over their saris, visit madams and tell them, "If you are to enjoy the fruits of the tree, you must keep the tree healthy. Gita Das, 50, a madam, manages five

prostitutes who commute to Sonagachi daily to work in two small, dingy rooms.

Mrs. Das, who wears a bindi, the red dot
ou a woman's forehead that signifies her status as a married woman, inherited the role of madam from her mother-in-law 25 years ago.

She has become a convert to condoms out of her own self-interest. "I argue with the customers, 'You should use condoms," she said. "If

they refuse I send them away. If the girls use condoms and stay healthy, that helps keep them loyal to me."

Not every expert is sure the Son-agachi approach will work outside the state of West Bengal. Calcutta, its capital, has India's

strongest tradition of labor unionism, an inspiration for the Sonagachi project. In contrast, Bombay, the epicenter of the epidemic, has a brutal and powerful mafia that runs the sex trade. Gangsters are likely to resist efforts to organize progritutes

Nonetheless, even the skeptics agree that India must act.

"If you don't try to take these efforts to scale, you'll have little wonderful corners, but you won't address the big issues that India poses by its sheer size," said Gordon Alexander, who heads the United Nations AIDS program in India.



Prostitutes teaching others to read at a Calcutta health clinic. The anti-AIDS program in the Sonagachi redlight district is to be extended throughout India with \$50 million in financial backing from the World Bank.

### It's a Buyer's Market as Yak Meat Abounds in Lhasa

By Seth Faison New York Times Service

LHASA, Tibet - A man with a crumpled brown fedora picked through the yak hooves that lay on a roadside table, next to the slabs of fresh red yak meat. The man, whose name was Gomehen, seemed to be looking for something he could not find.

"Are these all you have?" Mr. Gomehen asked, pushing up his hat and rubbing his forehead, as though the fedora were one size too small.

The seller, Lobsang, was eager to make a sale on a slow day, but he seemed to grow impatient with the way Mr. Gomehen kept picking up the same hooves, inspecting them and setting them back down.

"Are you buying or looking?" Mr. Lobsang, who like many Tibetans uses only one name, asked between swats at the flies that buzzed around the hunks of yak meat. "A boof is a boof."

Mr. Gomehen wandered off silently to inspect the wares at nearby tables, where other meat sellers lounged patiently, each with a makeshift canopy to shield his meat from the afternoon sun. It was just another day at the yak meat

Tibet may be known around the world as a mountainous region where a devoutly religious people have been persecuted by their Chinese landlords, but everyone has to eat. In Tibet, shopping for food inevitably includes a trip

to the yak meat market.
"Yak, tsampa, tea," Mr. Lobsang said, describing his diet with a simplicity befitting this simple mountainous land. Tsampa is the main staple in Tibet, a mix of barley flour and rancid yak butter.

Most Tibetans are strict Buddhists, but vegetarians are not as common here as in some other Buddhist regions. Yak meat is consumed in stew, in grilled hunks and even — particularly in restaurants fre-

### Philippine Court **Delays Execution**

The Associated Press MANILA - Three hours before a convicted rapist was to be put to death, the Philippine Supreme Court ordered a six-month delay Monday in what would have been the country's first execution in 23 years.

Leo Echegaray, a 38-year-old house painter, had been scheduled to die by lethal injection for repeatedly raping his IO-year-old stepdaughter. He wept with joy when told of the court's ruling, a prison chaplain said.

As a nearby church bell pealed,

about 100 demonstrators who oppose the death penalty cheered outside the prison where the execution was to have taken place.

But President Joseph Estrada ex-

pressed dismay at the raking, calling it 'sad day for law enforcement and the rule of law." In recent weeks, several lawmakers

sought a review of the law that re-stored the death penalty in 1994. In an 8-to-5 ruling, the Supreme Court said "the merest chance that the Congress might reconsider" the law required that Mr. Echegaray be granted a postponement.



Roman Catholic nuns cheering the announcement that the Philippine Supreme Court stayed the execution of a rapist on death row.

quented by tourists — in yak burgers.
On this day, the meat market was moving at Tibetan speed, meaning things were slow. A few customers wandered up as the hours stretched by, but many resembled Mr. Gomchen, minus the fedora, since they looked more than they bought. A monk wearing an intricately woven gold-and-crimson cap and oversized sunglasses, his arms invisible under a full-length red robe,

the yak meat in silence.

"Business is bad," said Lhamo, whose red brocade headdress is the sig-

nature of the Khampas, or people from Kham, a region in eastern Tibet. "Too many sellers, not enough buyers."

The rough winter of 1997-98 was followed by serious flooding in the sum-

mer. Though that might have set off a meat shortage, driving prices up, yak

### Singapore Politician, in Court for Giving Speech, Is Unbowed

SINGAPORE — An opposition politician pleaded not guilty Monday to a charge of making a speech without a permit

Resters

Chee Soon Juan, leader of the small Singapore Democratic Party, said he would not refrain from giving speeches because he needed to "bypass the state media" and "find a different way to

communicate with the people."

Mr. Chee appeared in court to be charged for giving the speech last Tuesday.

The police said he had refused to accept a written warning against making the speech without a permit and ignored an oral warning not to pro-

'I cannot be guilty of something that the constitution of my country guarantees," he told the court when

asked to enter a plea. Freedom of speech is protected by the constitution

of Singapore.

Mr. Chee's case will go to trial next The charge carries a maximum pen-alty of a fine of up to Singapore \$5,000

(\$3,000). He plans to give another public speech Tuesday in the heart of the

wandered from table to table, looking at meat sellers said it scared many Tibetad herders into thinking about what would happen if there was another rough winter this season. So an unusually large number of them

decided to slaughter their yaks in the autumn and cart the meet to Lhasa, the capital, where prices are traditionally the highest. With so much supply, the price of yak meat has fallen to 75 cents a pound (\$1.65 a kilogram), roughly half

what it was two years ago.

It took Mr. Lobsang six days to hauf his slaughtered yak to Lhasa in the back of a truck. Sellers lacking a truck ride a yak to market before killing it.

Tibetans often use yak hair for clothy ing and carpets; make shoes, coats and boats out of the skin, and fashion decorations and utensils out of the horns. The dung is dried for fuel.

Chinese officials say there are 1.5 million yaks in Tibet, up 150 percent from 1959, when Beijing assumed fus control over the region. But statistics are questionable in an area as inaccessible as Tibet, where 95 percent of the population are herdsman and farmers.

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#### **EUROPE**

## **Bonn Opposition Split** Over Citizenship Bill

Conservative Drive to Stop It Draws Fire

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Model Mode

to the state of Month BONN — German opposition parties clashed Monday over plans to We are a second of the design of the second begin a petition drive against the center-left government's proposal to allow dual citizenship.

The initiative was announced over Germany. the weekend by the conservative christian Democratic Union; its Bacilla critizenship is poison for integration as signed on as well.

But their former coalition partner, the Free Democrats, attacked their plans Monday. The party general secretary, Guido Westerwelle, accused

When they were part of the previous coalition government of Chancellor Helmur Kohl, the Free Democrats repeatedly tried to revamp Germany's blood-based citizenship laws but were stymied by their more-conservative

hicar partners. Opponents of dual citizenship argue it would give special privileges to for-eigners and lead to potentially dangerous double loyalties. Wolfgang Schaeuble, chairman of alition

the Christian Democrats, said at a news conference in Bonn that the petition drive was not motivated by anti-foreigner sentiment, but by a desire to control immigration and promote the integration of foreigners already in

well as for inner peace," Mr. Schaeuble said. He said the petition drive would start at a leadership meeting of the Christian Democrats and the

Christian Social Union on Jan. 24.
Mr. Schaenble said proposals to let foreigners apply for German citizenship while retaining their own nationthe conservatives of trying to make foreigners apply for German citizenship while retaining their own nationality could provide resentment toward an immigration policy foreigners among the wider popula-

Chancellor Gerhard Schroeder's center-left coalitinn accused the two conservative parties of riding an anti-immigrant ticket before an election in February in Hesse, a key state con-trolled by a Social Democratic-led co-



THANKS, I'LL WALK — A crew member abandoning the Kaasburg after the German freighter ran aground Monday at Figueira da Foz, Portugal. There was no report of any leakage of its 36 tons of fuel.

More than 7 million people living in

Germany are deemed foreigners under the citizenship laws, which pre-date World War I and are based heavily on

blood lineage.

Unlike many of its neighbors, Germany does not grant dual citizenship widely. The Christian Democrats

Have lived in Germany for eight years to apply for naturalization.

The proposals have been well-received by immigrants and their chil-

The law proposed by Mr. Schroeder would grant automatic citizenship to third-generation foreigners born in Germany and allow foreigners who cial Union premier of Bavaria, said this

"It's all about mobilizing prejuduring their 16 years in power, ended dices," said the Social Democratic by its defeat in the September election.

German society despite having spent most or all of their lives in the country. The conservatives say a relaxation of the citizenship laws would aid foreign

weekend the proposals would pose a greater threat to security than the Red Army Faction guerrilla group, which carried out assassinations in Germany blocked all attempts to change the laws dren, who say they face exclusion from in the 1970s and 1980s. (AP. Reuters)

### **Ulster Bombers** 'Known' to Police

BELFAST - The detective leading the investigation into Northern Ireland's worst terrorist attack says he has identified key members of the IRA dissident group responsible, but has not yet gathered enough evidence to "put them away," a British newspaper reported Monday.

Chief Superintendent Eric Anderson and more than a dozen detectives have been working for five months to capture the renegade Irish Republican Army members behind the Aug. 15 carbombing in Omagh that killed 29 people and

In an interview published Monday in The Times of London, Mr. Anderson is quoted as saying his detectives knew the identities and residences of a half-dozen members of the IRA group and were "trying to work out their actual

roles" in planning and executing the attack.
"The problem is producing a case that convicts them," be said. "It's one thing to know who did it, and another to produce evidence to put

Following the incident, the British and Irish parliaments approved legislation making it easier for the police to arrest suspected terrorists and

bold them without bail. The IRA dissidents, who call themselves the Real IRA, oppose the July 1997 cease-fire being observed by the parent organization. The dissidents called their own truce in response to widespread public horror over the Omagh at-

Despite more than 60 arrests of suspects in both Northern Ireland and the Irish Republic, no one has been charged in connection with the attack.

#### BRIEFLY

#### Party Disowns Idea Of Scottish Missiles

LONDON -- The Scottish National Party denied Monday that one of its spokesmen had advocated arming an independent Scotland with ballistic missiles.

Alex Salmond, leader of the pro-

independence party, said that an article by the party's deputy defense spokesman, Stuart Crawford, raising the possibility, had been an academic exercise unrelated to party policy.

He suggested that the British Labour Party was seeking to man-ufacture an issue to help Labour in elections for a Scottish Parlia-

The article, published last year, suggested that ballistic missiles with chemical or biological warheads could provide an affordable strategic deterrent.

"This paper was written by a serving military officer under a pseudonym — as is common in University," Mr. Salmond said, adding: "It doesn't advocate anything. It just sets out a range of options."

#### Senior French Aide Is Back After Coma

PARIS - His recovery complete, the French interior minister. Jean-Pierre Chevenement, returned to work on Monday, four months after falling into a life-threatening

Government ministers, including Prime Minister Lionel Jospin, welcomed him back at a breakfast at the Interior Ministry.

"I'm as well as I possibly could be," said Mr. Chevenement, 59. "I can tell you that my red cells have made it to the meeting I set for them. "His heart stopped for nearly an hour on Sept. 2 after he suffered an allergic reaction to curare, a imuscle relaxant, just before gall bladder surgery. He spent eight days in a coma. (AP) days in a coma.

#### **Bucharest Rejects** Miners' Ultimatum

BUCHAREST — The Romanian government on Monday rejected an ultimatum by miners, thousands of whom began an all-out strike in the western Jiu Valley, the cnuntry's biggest coal field, over the planned closure of uneconomic

The leader of the miners' union, Miron Cozma, had given Prime Minister Radu Vasile until Tuesday to come to the area to discuss demands including pay raises and the write-off of debts of the local mining company.

The government said it would not reward a "policy of force." About 2,500 miners marched in Petrosani, the area's main town, shouting antigovernment slogans. Nn incidents

#### Danish Memorial Attacks Abortion

COPENHAGEN - Anti-abortionists unveiled a granite stone Monday with an inscription honoring "the more than 500,000 Danish citizens whose lives have been stolen" since abortion was made legal in Denmark more than 25

years ago.

The making of the memorial in Vederstoe, 220 kilometers west of Vederstoe, 220 kilometers west of the memorial in Vederstoe, 220 kilometers west of Vederstoe, 220 kilometers we west of Vederstoe, 220 kilometers we went of Vederstoe, 220 kilometers we were vederstoe, 220 kilometers we we were vederstoe, 220 kilometers we were vederst Copenhagen, was headed by the Reverend Orla Villekjaer, who leads a group that intends to open a park commemorating aborted femses.

The park is expected to open next summer. The stone will be placed near the gate.

### 2 Cypriot Ministers Quit to Protest Missile Plans

NICOSIA — Two Cypriot ministers resigned Monday after their party quit the gov-

erning coalition over the scrapping of plans to deploy anti-aircraft missiles on the island.

Defense Minister Yiannakis Omiron and Education Minister Lycourgos Kappas submitted their resignations to President Glavkos divided since Turkey invaded its northern third their groups and their second their se Klerides. Government sources said their successors would probably be named and sworn in

The socialist EDEK party withdrew from the coalition on the Greek side of the divided island Saturday after Mr. Klerides canceled plans to deplny the Russian missiles. Turkey had vowed to prevent them from arriving, militarily if

Mr. Omirou, deputy chairman of his party, had harsh words for Mr. Klerides's change of heart, which was made after consultations in Athens. The missiles are scheduled now to be deployed on the Greek island of Crete - a NATO allies. decision that was praised abroad but con-

Barring delivery of the S-300 anti-aircraft system, Mr. Klerides cited assurances from the

in 1974 after a coup by Greek-Cypriot extremists that was engineered by the military officers then ruling Greece. A Turkish-Cypriot state in northern Cyprus is recognized only by

Greece was alarmed at the prospect that the arrival of the rockets could ruin Cyprus's chances of jnining the European Union. Cyprus started membership talks with the 15-member bloc last spring.

Western countries feared that the delivery of the missiles would add to tension on the island and between Greece and Turkey, which are

The \$500 million missile contract, which was demned by opposition parties.

"There was severe injury to the sovereign rights of Cyprus;" he said. "It was a national Mr. Klerides was re-elected president in Feb-

ruary on promises that be could bring the rockets sooner than any other candidate.

Aides said that the decision had been painful for Mr. Klerides.

'Setting aside the emotional disappointment, we believe the majority of the people see this decision was the correct one under the circumstances," said a government spokesman, Christos Stylianides.

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A BETTER APPROACH TO BUSINESS

### Bonn Denies Any Falloff In Support for Wider EU

than its predecessor, and he said that a The president of Austria, Thomas join could be set this year.

1, said, however, that the Union must put its nwn finances in order before going

ahead with eastward expansion. "Germany was and remains a sup-porter of the interests of the candidate countries," be said after talks with the Austrian foreign minister, Wolfgang

reach a successful conclusion on Agenda 2000 is the necessary step for enlargement." He was referring to the Union's plans for financial and insti-

from Helmut Kohl, a Christian Demo-

Chancellor Gerhard Schroeder of Germany, a Social Democrat who took over

He has cautioned that EU enlargement may be more complicated and more difficult than many expected, amid the debate over the EU's finances.

do not manage to put the financial ques-VIENNA — The German foreign tions in order for possible enlargement minister, Joschka Fischer, denied Mon- then the date of the enlargement will be put day that his government was less keen back," he was quoted as saying Monday on enlargement of the European Union by the German magazine Der Spiegel.

target date for the first new members to Klestil said in an interview Monday with the Austrian news agency APA it was Mr. Fischer, whose country took over "regrettable that the German EU presthe EU presidency from Austria on Jan. idency does not attach the same importance to enlargement as the Austrian

Mr. Fischer declined to comment on

Candidate countries - six of which began formal membership negntiations But, Mr. Fischer said, "our attempt to in November - have become increasingly exasperated at the refusal of the Union to specify a date for them to join. Estimates vary from 2002 to 2010. Poland and Hungary are seen as front-

Mr. Fischer described the debate crat, after winning elections in Septem-ber, has fueled widespread concern over a slowdown in EU enlargement.

Mr. Fischer described the debate about target dates as "abstract" but said it could become more concrete nnce agreement had been reached on the direction of the Union's internal reform. "They can become meaningful when

ore difficult than many expected, amid the enlargement process has reached a certain level," he said. "Perhaps the end of this year or next year."

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**Pontiff Will Visit Homeland** In June for a 20-City Tour

During the trip, his eighth to Poland, the Pope is to beatify more than 100 Poles killed under Nazi occupation. WARSAW - Making his longest and most ambitious trip home, Pope Juhn Paul II will visit 20 Polish cities in

June, government and church officials said Monday. The visit, 20 years after the Pope's first Polish trip, will have an important religious dimension, but also will refer to history and everyday issnes, according to the archbishop of Gdansk, Tadeusz Goclowski, who announced

The same of the sa

the official program.

The trip, scheduled from June 5 to 17, is to include a visit to Parliament, where the Pope will address the National Assembly and meet Poland's leaders, as a semony and meet rotated a teatras, as a sign of "respect for the structures of the democratic state," according to the Reverend Andrzej Koprowski, one of

At the Umschlagplatz monument in Warsaw, John Paul will pay tribute to victims of the Nazi Holocaust. He also plans to commemorate victims of Communist repression by stopping at the monument to Poles deported to former

Soviet gulags in Siberia.

Estimated to cost up to 25 million zlotys (\$7 million), the trip will be an occasion for the Pope to prepare his compatriots for the "jubilee of the year 2000," Archbishop Goclowski said.

In the central city of Lichen, the Pope will bless Poland's largest church still will bless Poland's largest church, still under construction. In the northeastern

city of Elk, he plans to greet ethnic Lithuanians in their language.

The Pope is also to travel to his birthplace, Wadowice; the northern cities of Elblag, Pelplin, Bydgoszcz and Torun; the eastern cities of Siedlee and Drobinson and the contract of the Reverend Andrzej Koprowasa,

Reverend Andrzej Koprowasa,

Reverend Andrzej Koprowasa,

It will begin in the Baltic port

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The rope is an armonic the northern cities of
Holag, Pelplin, Bydgoszcz and Torun;
the eastern cities of Siedlee and Drohiczyn, Zamosc, and Sandomierz in the
southeast. He is also to visit the Warsaw
suburb of Radzymin, the central city of
Lowicz, and Stary Sacz in the south.

### Global Investors in **European Real Estate Summit** In association with the International Herald Tribune Paris, 26-27January 1999

### **Push Peace in Sudan**

In the year just ended, the famine in southern Sudan rated as one of the most tinderreported stories in the U.S. media, according to Doctors Without Borders. What is even sadder is to find Sudan on another list: World Vision's prediction of 10 hot spots for next year. Most frustrating of all is that the humanitarian crisis in Sudan is preventable. It is a product of a long-running and brutal civil war, not of natural causes. A ceasefire has offered a brief reprieve, but tinless it is extended geographically and beyond its Jan. 15 expiration date, catastrophe is almost guaranteed.

Sudan's government in Khartoum is authoritarian, intolerant of dissent and a sponsor of terrorism, according to the U.S. State Department. The govern-ment represents the largely Muslim population of the north; it has for more than a decade been fighting a civil war against the largely Christian population of the south. Many southern Christians

have been kidnapped into slavery.
Because the United States has tended to portray Khartoum as its enemy, most recently with a missile attack against a

pharmaceutical factory there, some warlords in the south may be encouraged to believe that they have support to wage all-out war. But knowledgeable relief agencies argue that all-out victory is not possible for either side, and that all sides are guilty of human rights violations. To prevent further famine, what is most needed is peace. Already, war-induced famines have claimed some 2 million Sudanese lives.

Last year these agencies mounted the biggest air relief operation since Berlin. If the fighting stopped, they could operate by road far more cheaply; for the cost of one week's airlift, all the roads and bridges destroyed in the south could be rebuilt. More to the point, if fighting stops, people can go home and tend to their farms instead of depending on outside belp. Such a cease-fire will come only with a concerted diplomatic push — from the United Nations, the United States and others. Now is the time to ensure that Sudan does not show up on next year's list of unnoticed disasters. —THE WASHINGTON POST.

### **Secrets Leaked to China**

The House select committee investigating U.S. technology transfers to China has wrapped up its work. Its final report, unanimously approved by the five Republicans and four Democrats assigned to the panel, remains classified. But apparently it has con-cluded that the Chinese government has been engaged in a concerted, long-term and successful effort to obtain sensitive American technologies.

The committee found, as Christopher Cox, Republican of California, told a press conference, that efforts by the Chinese to acquire American technology go far beyond the disclosures to the Chinese by the Hughes Electronics Corp. and Loral Space and Communications that gave rise to the House investigation. Mr. Cox announced that the committee had determined that "national security harm did occur" as a result of these transfers. Bot, Mr. Cox also said, the problem "goes beyond ... missiles and satellites, and includes military technology - and the technology acquisition efforts of [China] have been targeted at the United States for a period of at least two decades, undoubtedly longer." The committee's report includes 38 recommendations for legislative and administrative changes. Until an unclassified summary is

released, it is impossible to know just how hig a problem this acquisition effort is. Similarly, it is hard to know whether the problem has grown worse during the Clinton administration as a result of, among other things, campaign contributions to the Democratic Party by Loral's president and efforts to funnel money to Democratic fundraisers by a Chinese aerospace execntive with close ties to that country's military hierarchy.

That the committee has found the acquisition effort to cover 20 years suggests that the problem predates the Democratic campaign finance scandal. Moreover, the bipartisan nature of the report indicates that the report is probably not merely an effort to score political points against the administration - as other House investigations of

campaign finance have proved to be. Because of the seriousness of the subject and the apparent conclusions of the committee, an unclassified summary with as much detail as possible should be prepared and released swiftly. Mr. Cox promised as much on Wednesday, saying he was submitting the report for declassification review "immediately." The administration should expedite this process.

## The Pentagon Seems Stuck in a Rut in East Asia

WASHINGTON — The U.S. Defense Department has released another East Asian Strategy Report, its fourth in this decade, which has been well received by U.S. allies in the region for its reassurance of a continued American security commitment. But what kind of commitment?

This report signals a case of bureancratic inertia. It fails to provide any real hint as to how the United States might adjust to change in the region.

The Pentagon's failure is thrown into sharp relief when put against the latest public thinking of China's State Council. In a Defense White Paper last July, Beijing revealed a vision of Asia's future security framework that is fundamentally incompatible with that of the United States and its allies. The U.S. network of bilateral alliances remains the de facto security framework in a region in which all powers are hedging against uncer-tainty. Reflecting this, the Pentagon report reaffirms the U.S. commitment to maintain about 100,000 troops in

Asia "for the foreseeable future. But technology is changing the ways in which force can be projected. It is net military capability, not numbers of bodies, that underpins American credible deterrence. If new technologies make it possible to do more with fewer personnel, the United States By Robert A. Manning

could be open to charges of reducing

The Pentagon would have been well advised to avoid pretentious rhetoric about "comprehensive engagement" and "presence-plus." Couching its claims in such hollow language, it casts everything from U.S. investment in Asia to American tourist traffic as part of U.S. "engagement,"

In the real world, engagement is a fancy word for diplomacy. It is not a policy or a strategy, merely a process. For all Washington's current enthusiasm for "security dialogues," one should not confuse glorified cocktail parties with security architecture. Dialogues are fine, but they do not add up to "a network of overlapping and interlocking institutions" that are "an interpretation of the street and security architecture of the security architecture. important and permanent feature of the regional security structure," as the Pentagon claims.

If all multilateral discussions disappeared and only bilateral alliances d security relationships remained, would Asia be any less secure? Japan need look no further than Jiang Zemin's recent visit to Tokyo, or North Korea's missile test this past fall, to see that it lives in a dangerous neighborhood. Credible deterrence

provided by Washington'a alliances with Tokyo and Seoul remains Japan's best insurance against aggression and

would-be hegemons. In its white paper, Beijing offers the opposite view. U.S. alliances are not the foundation of stability, it says, but a threat to stability. "Hegemonism and power politics remain the main forces of threat to world peace and stability. Who could Beijing be thinking of? Chinese leaders are toying with a

new concept of security in what they see as an increasingly multipolar world. "Security," the white paper says, "should be based on mutual trust" and promoted through "dia-logue and cooperation." This is curious, as China is one of the few countries actively building up both conventional and nuclear forces. Beijing's white paper hints hope-

folly that China may eventually displace the United States as the preeminent power in Asia. This logic lies behind Beijing's frequent rhetorical as-saults on the U.S. Japanese alliance. If China says alliances with the United States threaten peace stability, while the Pentagon asserts that the United States is the source of stability, how can there be a "strategic partnership"? The idea is a debasing of language to camouflage a less attract-

lationship, with elements of bottleso-operation and conflict. The most important test of China's

intentions may be how it minager change on the Korean Peninsula. The same may be true for the United States. As Korean crisis builds, Beijing's in-tentions and U.S. "comprehensive engagement" will both be tested.

North Korea puts Beijing in a bind.
China wants to defer remification and avoid conflict, but by sustaining North Korea as Pyongyang builds its militar capabilities it may increase the risk in confrontation and see its interests in Northeast Asia damaged.

Korean reunification is likely to force Washington to rethink in posing in East Asia in the coming years. The rationale for U.S. troops in Korea will become problematic. And if the Peir tagon withdraws troops from South Korea, it will generate a renewed de-bate about U.S. force levels in lapsi.

It would have been more remain the Pentagon's strategy report inchibed some suggestion as to how Washington plans to adapt to such change.

The writer, a former U.S. State De-partment adviser for policy, is a senior fellow and director of Asian studies at the Council on Foreign Relations: He contributed this comment to the international Herald Tribune.

### ive reality — a more ambiguous re-Suppose Russia, India and China Could Really Get Together

SINGAPORE — Russian Prime Minister Yevgeni Primakov's idea for a strategic triangle linking his country with India and China, farfetched though it may sound. deserves serious consideration, even though it has not yet been elevated to the status of a

formal proposal. First, it holds the promise of providing a counterweight in what is becoming — witness America's almost solitary pursuit of Operation Desert Fox against Iraq — a dangerously unipolar world.

Second, it might succeed in subsuming some of the re-gion's more sizzling tensions. For example, Pakistan would have had less reason for reacting with alarm to the Indian-Soviet defense agreement signed during Mr. Primakov's recent visit to New Delhi if China, which is close to Pakistan, had been a party to Politicians of India's gov-

By Sunanda K. Datta-Ray

erning party, who do not seem to realize that their spurts of anti-Chinese rhetoric sound suspiciously like an admission of weakness or an attempt to whip up national hysteria, would also learn to be more

The global advantage of even a loose Moscow-New Delhi-Beijing axis would be to offer prisoners of the unipolar system another option. It might encourage the emergence of other poles, in the Middle East or Latin America, and prompt Europe to take a more independent line. Only a multipolar world can inject some author-ity into a sadly marginalized United Nations, so that future policing actions enjoy consen-

sual support Of course, the Primakov plan flies in the face of conventional wisdom, which argues in favor of an alliance between Japan and India, Asia's two major democracies, both more than a little wary of China. It also carries a hint of ganging up on the

United States. But Japan is unlikely to be drawn into any Asian strategic arrangement. And Russia, China and India are all in far too great a need of American capital, markets and influence to adopt an adversarial posture.

India knows, too, that the United States alone can restrain neighbors who compound, if not create, many of its security headaches, external as well as internal.

The most that a trans-Himalayan partnership would do, therefore, would be compete with America without challenging it. By reducing tension in a fragile part of the globe, it would lessen America's poli-cing worries, which is additional reason why Washington should welcome the idea.

idea has been around for many ears. Prime Minister Jawaharlal Nehru hosted the first Asian Relations Conference with great éclat in 1947, hoping that it would lead to tangible forms of cooperation. But Nehra's vision was not always able to bridge the gulf between philosophy and polities, and the governments represented at the conference failed to live up to their com-

Now that the Cold War is over, the Soviet empire buried and President Boris Yeltsin's Russia bound in a strategic partnership with President Jiang Zemin's China, the time may have come to return to earlier thinking.

Beijing's response that al-though it "pursues an independent foreign policy of peace" it "is ready to develop diplomatic relations with all countries in the world" does not altogether rule out the Priwording is probably shorthand for: Wait and see how the United States responds to human rights and political dissidence in China and to the Taiwan question, how the Jap-anese interpret their appraised military ties with the Americans (especially after Tokyo's unambiguous support for Desert Fox) and how India

shapes op as a nuclear power, If both China and India adjust for the future, they will discover that their common response to the U.S.-led strikes against Iraq indicated a shared Asian psychology. Like Russia, they are also interested in Central Asia's vastoil reserves, in Middle East peace, and in a stable Afghanistan not given over to religious extremism.

The writer, a former editor of The Statesman in India, is an editorial consultant with The Straits Times in Singapore. He contributed this comment to the In one form or another, the makov plan. The enigmatic International Herald Tribune.

### Are the Tools in Charge?

and watch the calendar of the Western world flip over, it is reasonable to expect that 1999, prologue to a new millennium, will yield some themes that ask for real reflection. Here is one. In the blizzard of commentary already blowing in, it is becoming apparent that we are nearly blinded by technology. Trying to gauge the meaning of a new millennium, we almost instinctively do so by marveling at the rate of technological change, which we cannot help believing will only increase. It seems like the most salient feature of human culture during the last 200 years.

But the rate at which technology has been changing probably masks the underlying stability of burnan nature.

The rate of change in our world is simply dizzying, and it is only natural to wonder whether humans who live in 1999 are different somehow, given the explosion of technological innovation in their lifetime, than humans who lived 1,000 years ago. Material conditions in the richest societies are certainly different now than they were in the richest societies in the year 1000, and they are more different from 1000 than 1000 was from the year 1. The way we explain human nature is radically different, too, thanks mostly to Darwin.

Yet there is no evidence that human nature has altered in that time or, indeed, since human history began. Life has always been as complex as it could possibly be. Humans have always admired their own adaptability and lamented the peculiar complications of the times they live in. There is no burying the past because the past, to the extent that it was determined by the raw potential of human nature, is reborn in every generation.

We are caught, in a sense, between two kinds of evolution. Biological evolution works on a nearly geological time scale, which suggests that human

nature, as a partial product of our genes, is basically constant. Cultural evolution works with shocking swiftness, and so we assume that it is mainly a propulsive, liberating, even revolutionary force. Bot human culture has always usefully constrained human behavior as well as expressed it. No human society has ever tolerated the entire range of instinctive, "natural" buman behavior. That selective intolerance is among the things we mean

by civilization. This is one of the fundamental tensions we will carry into the new millennium. For most of history, humans have shaped civilizations commensurate with the level of their material technology. In some cases, like ancient Athens, the former far outstripped the latter. Startling new technologies will inevitably proliferate in the years to come. We need to remember that the measure of a civilization is not the tools

it owns but the use it makes of them. -THE NEW YORK TIMES.

#### Other Comment The Real Olympic Culprits

Now that the U.S. Justice Department has joined the hunt, the awardi of the 2002 Winter Games to Salt Lake City is likely to be the most investigated action in modern Olympic history. The problem here is that, barring more revelations, Salt Lake City is the victim, not the villain. What needs to be investigated is the IOC itself.

Site selection ought to be moved from the full committee and delegated to a smaller expert body such as the executive committee. The IOC will not leap to strip its members of power and prestige. Pressure must come from the outside.

- Los Angeles Times.

#### Netanyahu May Have Been Just the Man Israel Needed JERUSALEM — A good word on behalf of Benjamin By Abraham Rabinovich on the West Bank, whatever he

Netanyahu? It would be hard to take rather than a hostage to find one in the Israeli press. No

hopeless theological-historical Israeli leader has been so reviled disputation over holy land. by so many of his countrymen. History, however, may prove somewhat more charitable. like Mr. Netanyahu to achieve this not inconsequential step. When a Labor government

In applying parts of the Oslo accords, however partially, reluctantly, gracelessly, he has made the more moderate half of the Israeli right wing accessory to the peace process. In doing so, he has moved the nation a good way through an ideological minefield and exposed a latent peace consensus embracing two-

thirds of Israel's population. Seemingly against his own instincts, he has made a future settlement with the Palestinians a matter of pragmatic give and

sputation over holy land. right-wing ideologues and a frmay have required an oddity more moderate, largely ethnic

ister Yitzhak Rabin. Mr. Netanyaho's concessions have evoked little more on the right than parliamentary maneuvers. Mr. Netanyahu had initially

opposed the Oslo peace accords. During his election campaign he changed his tack after polls showed that most Israelis felt otherwise.

His narrow election victory was wrought by an alliance of sector of Sephardi Jews opposed to the Labor Party, which

peace formula Mr. Netanyahu achieved election success by fudging his rhetoric so that ethnic supporters saw him as a tough peacemaker who would drive a hard bargain, while the hard-liners, catching his wink, were convinced that be had no intention of withdrawing

said publicly. His heavy-handed maneu-

vering during the past two years went beyond the bounds of clever tactics into inscrutability. Declarations of intent to honor Israel's Oslo committhey associate with the Ash- ments mixed with acts of prowhen a Labor government carried out the first Oslo stages, the country was torn by violent demonstrations culminating in peace process. They distrust dering who the real Netanyahu says may be overstatement, but they do not oppose the dering who the real Netanyahu logues, accept Oslo's land-foris. He has often seemed uncertain himself.

In any case, his withdrawal in Hebron and his implementation of the first of three withdrawals from West Bank rural areas constituted a crossing of the Rubicon for the right wing. The shining image of a Greater Israel stretching from the Mediterranean to the Jordan was being violated, not by the left this time but by themselves.

of them. It has exposed them in their unyielding ideology without the protective wrappings of the broader right wing.
Mr. Netanyahu was posi

tioned to significantly push the peace process forward, but his andoing was his own personality. To say that no one in the not by moch.

He has thrived on attack poli itics, instilling a pervasive nast tiness into public affairs. Instead of building trust with the Palestinians as peace partners, his attitude has been imperious and demeaning. Instead of trying to heal Israel's internal rifts he is politically vulgar and de visive. His chutzpah is bound less and without charm. His swagger and perpetually smug expression reflect an almost ad olescent need to be perceived as a winner. "I'm no sucker," is

one of his favorite phrases. History chooses its own instruments. Perhaps a transparent manipulator was what Israel needed to persuade a critical portion of the population to swallow territorial concessions. Without a character transplant, however, Mr. Netanyahn's task would seem to be finished.

The writer, a Jerusalembased journalist, contributed this comment to the International Herald Tribune.

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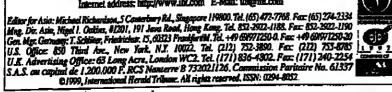
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### Rethink Relations With China

WASHINGTON — A couple of Shanghai prostitutes let themselves into a hotel room occupied by a man who had discussed human rights in a local teahouse. With a quick couple of zips, the girls stood naked. Moments later. police entered the room and arrested the dissident for patronizing prostitutes.

This old entrapment-andblackmail dodge run by the frightened men ruling China is their crude way of trying to discredit the tiny group that wants to start a labor union and perhaps a non-Comminist political party.

Why this transparent subterfuge? Because the nationwide crackdown on dissidence, begun as President Bill Clinton visited China and hailed President Jiang Zemin as his partner, is not playing well in the world press and may not be going down well inside China

The logical reason for the iron fist is instability in the Forbidden City at the prospect of economic hard times. A generation anesthetized by rising prosperity is growing restive at slower growth. In the vast countryside, we have reports that farmers are grumbling, unable to market bumper crops; in the jammed cities, an army of the underemployed posits a threat of unrest.

The Communist leadership knows that the Soviet breakup began with Solidarity in Poland, and the stress on the stateBy William Safire

stagnated Soviet system from Ronald Reagan's arms race. The ensuing dissatisfaction of workers and farmers was ignited by a cadre of underes-timated dissidents. Fear of that scenario explains the desperate need of Mr. Jiang to squelch every peep of opposition.

Americans are beginning to discover how brazenly the sclerotic Chinese regime has stolen U.S. missile technology, and how it played on the naïveté and financial need of American politicians to influence U.S. trade policies.

Last week the bipartisan Cox committee revealed the tip of the iceberg of espionage penetration. Stimulated by a Jeff Gerth article in The New York Times, it began investigating China's illegal acquisition of all sorts of national

If the White House allows enough of the 700-page report to be declassified, it will show that the worst hemorrhage of secrets took place in recent years. That is mainly because Mr. Clinton flip-flopped on trade with China. Restrictions came off. America now pumps \$60 billion a year into the regime.

Worse, Mr. Clinton steered Commerce Department Which brings us to Lien-tenant Colonel Lio Chaoying.

the regulation of technology transfer to the complaisant

a Chinese intelligence agent, daughter of a top general, who channeled money through Asian-American fronts to the Clinton-Gore and other campaigns. Where stands the

prosecution of the "China connection"? Becalmed.

Bill Clinton must be happy to have this case in the hands of his Democratic appointee, Paul Friedman. This judge has further crippled the lame Justice investigation by throwing out most of the counts against Maria Hsia, Charlie Trie and Pauline Kanchanalak. Under his curious reading of election law, Saddam Hussein and the KGB would be free to contribute millions to the Democratic

National Committee so long as it is "soft money." Here is the box score: one serious investigation of Chinese penetration suppressed because it is secret, the other stymied because of incompetence and misjudgmen

In the light of (1) China's desperate duplicity on human rights, (2) the 38 secret recommendations by the House to stem the flow of secrets to China and then to Iran and North Korea, and (3) the botched and scotched investigation into the change of trade policy amid heavy contributions — isn't it time to

rethink the "partnership"?
Forget "Who lost China?"
Consider "Who Shanghaied America?"

The New York Times.

Mr. Netanyahn's claim that he is the only candidate who can implement a peace acceptable to the nation is not altogether exaggerated. Labor had the vision and comage to make the peace breakthrough at Oslo, but Israel's national fiber was almost sundered in the process. Mr. Netanyahu's aggressive thetoric and posturing enable him to make territorial concessions without being accused of selling out by the moderate part

of his right-wing constituency. The hard-liners continue to oppose Oslo, but Mr. Netanyahu's betrayal, as they call it,

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: German Words PARIS - The "Temps" devotes an article to the order by the German Emperor substitut-

ing German words for French in the definition of military things. It dwells with pride on the fact that from the days of the Crusades the French language has been carried by French arms into every country. The Emperor's order is a sign of time. It would be amusing to certify that the particularism of the expiring century demands the proscription of words and expurgates dictionaries, as it makes frontiers bristle with tariffs.

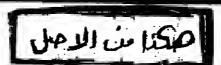
1924: Movie Rivals

LONDON - Sir Oswald Stoll, the British film magnate, pro-nounced another diatribe against the American movies, declaring that British films were being discriminated against in the United States. "Out of 426

British and foreign pictures offered to America in 1922 only six were allowed to get a footing in the States. However so strong is the force of national sentiment here on the debt settlement that, taking the net results of seven American pictures, it is probably not true to say they have made any money at all for their British exhibitors."

#### 1949: Prokofiev Out MOSCOW - Tikhon Khren-

nikov, general secretary of the Soviet Musicians' Umon, writing in "Pravda." said that composer Sergei Prokofiev- was "condemned by the party and all Soviet society." Mr. Khren-nikov criticized Prokofiev's "anti-melodic music" and his interpretation of the Soviet people, and added: "He is at 1 tracted by only the outer acuteness of scenic situations with the characteristics of naturalist details."



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### **OPINION/LETTERS**

### While Clinton Flounders, The U.S. Moves Along

By George E Will

WASHINGTON — Contemporary American politics because the prison population has more than doubled in a decade. In The strongest passions - Republican hatred of Bill Clinton, the 1964 level.

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Democratic loyalty to him - are incongruous, given the nature of Mr. Clinton. Second, political ferocity in-creases as the stakes of national

politics shrink And as saturation journalism drenches the public with news

Disgust with Mr. Clinton is by now nearly coextensive with the truly adult population, and is intense in the Democrats' congressional cloakrooms, where mem-bers of the world's oldest political party resent the degradation of it, and them. However, hatred of Mr. Clinton is strange. Large passions should be called forth by largeness, and Mr. Clinton is defined by littleness.

He is the least consequential president since Coolidge, who was of small consequence as a matter of political conviction hence he was, in his way, large. Mr. Clinton had one large pur-pose, health care reform, but he cotrusted it to his wife, who

There have been only two large events involving the national government in the Clinton years: The economy balanced the budget, and Republicans forced welfare reform on a reluctant Mr. Clinton.

Yet the United States, rather impertinently, thrives, In 1997 vialent crime declined 7 percent, to alent crime declined 7 percent, to food, drink, tobacco, exercise, ils lowest level in 24 years, partly sex). In 1985, 17 percent of high

New York, homicides are onethird of the 1990 level, and below

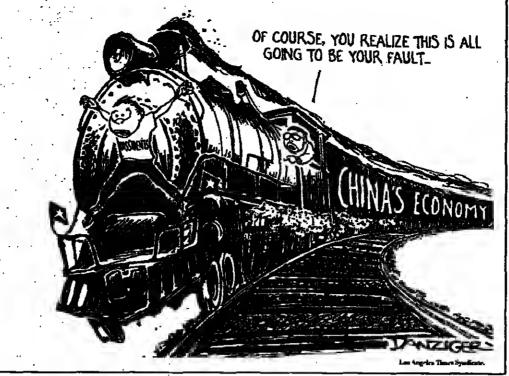
The American Enterprise mag-azine reports: The number of welfare recipients is declining, as are illegitimacy, teenage sexual ac-tivity (after two decades of increases), births to teenagers (down 12 percent since 1991), and abortions. The percentage of from Washington, Americans participate less and less in the passions swirting around the na-22 since 1990.

Church attendance is rising (55 percent of teenagers attend church at least once a week, up from 47 percent in 1975). By 78 percent to 15, Americans endorse encouraging a belief in God" over "encouraging a modern scientific outlook." Since the late 1970s the percentage of Americans saying that religion is "very important" in their lives has in-

reased from 52 to 61.

By 66 percent to 28, more Americans worry about the nation becoming "too tolerant of behaviors that are bad for society" than about it becoming 'too intolerant of behaviors that don't do any real ham to society." Beginning in the early 1980s — during the "de-cade of greed" — there has been a sharp increase (adjusted for inflation and population growth) in

charitable giving.
Gregg Easterbrook, writing in The New Republic, notes that health is broadly improving. This is largely because individuals are behaving more sensibly (about



school seniors had tried cocaine; and less traditional journalism.

in 1996, 7 percent. A forthcoming book by Pro-fessor Everett Caril Ladd of the University of Connecticut reports that far from becoming an atomized nation of broken social bonds, America's social fabric is being rewoven by, for example, the 59 percent of parents of school-age children who participate in their

children's classrooms. There has been a doubling, from 1977 to 1995, of the number of people volunteering for charities. Most people are busy behaving

well, are disgusted with people who are not, and are convinced that good behavior locally - in society's little platoons: families, churches, civic organizations matters more than governmental measures. Which helps explain why people are consuming less

The television andience is being fragmented by cable and satellite systems, and by the siphoning off of that audience by on-line information providers. In August, cable viewership exceeded that of ABC, CBS, NBC and Fox combined. The volume of Internet traffic is doubling every 100 days as upward of 7 million households

All this is sharply reducing the networks' prime-time audience (down 9 percent this season) that feeds viewers to local news programs. Those programs are also losing depoliticized viewers to comedy reruns.

go on-line each year.

National newspaper circulation fell from 63.1 million in 1984 to 56.7 million in 1997. The Boston Globe recently reported that, in November, Boston's top three

television newscasts dropped 50,000 households below their level a year earlier. (Among the top 10 media markets, Boston has the highest percentage — 79 — of cable subscribers.) The Globe and the Boston Herald's weekday circulations have declined 10 and 25 percent, respectively, in the 1990s. Boston ranks second among national media markets in regular daily newspaper reading by adults, but readership is down

from 75 to 69 percent since 1994. Americans are defining, and finding, news in new ways. Their self-emancipation from traditional sources, and from agendas set far away, reflects the decreasing relevance of the national stage. the performers on which resemble and are going the way of vandevillians.

Washington Post Writers Group,

### Tiger Woods's Witness To Irrelevance of Race

By William Raspberry

other parent, have been taught to think of themselves as black. This lesson in nomenclature

#### MEANWHILE

people, who long ago made the point that any known black ancestry was enough to make you black. Quadroons and octoroons may have been three-quarters or seven-eighths white biologically, but in the odd calculus of race, they were as black as the purest son of Africa.

If whites started the notion that drop of black rendered you black, blacks have bought it with an alacrity that would shame the stannchest defender of white purity. For different reasons, of

Why try to "pass" and risk rejection, derision and worse (from whites) when you are found out? Why claim membership in a group that hates you and is de-termined to keep you out? They want to be pure? Then we'll be proudly inclusive.

And the clincher. Dear sweet child, white people will see you as black no matter if one of your parents is not. To call yourself mixed-race is to reject us who accept you and brings you not one whit closer to those who reject you. Be black and proud of it. And dear sweet child mostly

bought it. I don't want to declare the arrival of summer on the evidence of three or four swallows, but that may be starting to change. What I am noticing — principally at Duke University, where I have been teaching for the past few years, but also elsewhere - is a new insistence by mixed-race children on acknowledging all of their heritage.

This is not about passing, or denying their blackness. It is about owning the rest of them-selves. They do not want to be forced to pretend that Mom's side (and most often it is Mom's side) does not exist.

It is not easy at a fairly sophisticated place like Duke, and it may be excruciatingly difficult in less tolerant venues. You will remember the hue and cry triggered

WASHINGTON — Ameriby Tiger Woods's self-description as Cablinasian, a word heparent, no matter the race of the says he made up as a child to, capture his Caucasian, black, Indian and Asian ancestry.

The golfer may have been try;

has come, of course, from white ing to honor the racial streams that produced his African-American-father and Thai and Chinese mother, but for many black Americans it was a term of denial. Carole Simpson, the ABC-TV news anchor, got a huge laugh when she told a Howard University commencement audience that the brown-skinned Tiger may think of himself as Cablinasian, but if he ever tries to hail a taxi on an afterdark Washington street, "he's go-ing to find himself cabless." My mixed-race students might

have laughed, too, but perhaps with a twinge of hurt. It is not, they say, that they want to be both white and black; it is that they are, white and black. On what basis should they decide which part oftheir ancestry is the relevant part?, And wouldn't choosing insult the side not chosen? How is the white parent of a mixed-race child supposed to feel when the child selfidentifies as "black"?

And what of the children of parents who are themselves mixedrace? And grandparents? Here it' gets complicated. The overwhelming majority of slave-descended black Americans have at least? some white ancestry. But that ancestry, nearly always having beenbestowed without benefit of clergy, has been a source of shame for us. What fool would want to claim kinship with the slave owner who raped his great-grandmother? we'

ask indignantly.

The first-generation offspring of married mixed couples face a different set of questions, not of the nature of their parents' relationships with one another or their place in their parents' cosmos but of their place in America's race-obsessed society.

The number of such children will increase along with the increase in the number of interracialmarriages. Who, in terms of race, will they be? Black? White? Some third group reminiscent of South Africa's now discredited classification system?

Or will they make the rest of us wonder why race is such a big deal' in the first place?

Washington Post Writers Group.

#### LETTERS TO THE EDITOR

#### Geography Lesson

In his report on the tragedy in. the Australian Sydney to Hobart yacht race ("Race at Sea Turns thuo Struggle for Survival," Dec. 31-Jan.1) Neil MacFarquhar refers to Tasmania as being south of Australia."

That's a bit like saying that Hawaii is "west of the United States."

STEVEN HOWARD. Singapore.

#### For a Genocide Trial

There is an absolute moral imperative for putting the main surviving architects of the Khmer Rouge genocide, notably leng Sary, Khieu Samphan and Nuon Chea, on trial before an international tribunal.

If an international tribunal is

try's population than any other group in the 20th century. If we are prepared to chase the Bosnian Serbs, then we must chase the Khmer Rouge, who slaughtered up to 3 million people.

Hun Sen's specious arguments forget the past. about burying the past are a very unfortunate turn of phrase, given

mestic power play, after years of demanding such a trial. Secondly he argues that the Khmer Rouge leadership should

not be put on trial, in order to

However, for years Cambo-dians have been demanding If an international tribunal is not appropriate for the Klumer Rouge, what could it ever be used for? The Klumer Rouge killed a greater percentage of their coun
morninate turn of phrase, given than a laye occur tenanting justice. I had the privilege of living in Cambodia for two years, return to civil war if pardons are not granted. No, there is no risk, with only about 100 fighters left in All of them had lost at least two

the jungle. This is just his do-family members between 1975 and 1979. That is the magnitude of the slaughter, and certainly my experience is that they demand, at the very least, a full accounting for the past.

Major aid donors, particularly the United States, France, Japan and Australia, have enormous financial and diplomatic leverage, and they should bring this to bear before it is too late. EDWARD BAGNALL

Hong Kong.



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Two Penn State students learning the tango in a ballroom dancing class, a phenomenon that is sweeping American college kids off their feet.

## U.S. Campuses Swing Again on the Dance Floor

By Ethan Bronner New York Times Service

STATE COLLEGE, Pennsylvania -The e-mail messages arrived first in a trickle, then in a flood. Students at exact numbers. Pennsylvania State University were contacting their president, Graham Spanier, with a desperate plea in the fall semester: Create more classes in ballroom dan-

Nearly 1,500 undergraduates were on Friday nights, the ballroom dance club was overwhelmed trying to teach hundreds how to cha-cha and fox trot.

After an emergency meeting in November, Mr. Spanier announced that in January, the number of ballroom 48 from eight, increasing the oumber of slots to 1,440 from 240.

"We are in a society that is increas-ingly impersonal and there is a need for a way to meet one another, to touch without immediate sex," said Mr. Spanier, a interpersonal relations, in explaining why he moved with such speed. "Ballroom dancing offers that."

Across the United States, at Yale and Arizona State Universities, at the University of Wisconsin and San Diego State University, partner dancing, both traditional ballroom and swing, is sweeping campuses.

said the rise was so sudden and so fierce that it was not yet possible to know the

"Put it this way," Ms. Teague said, "five years ago there were dozens of schools with hundreds of students doing hallroom dance. Today, there are hundreds of schools with thousands and thousands of dancers. In the Washinglanguishing on dance-class waiting lists; ton, D.C., area alone we have gone from on Friday nights, the ballroom dance one school, Catholic University, with 20 to 30 dancers to five schools with 2,000 and swing dancing.

And while fads, fed by trend-setters on the two coasts and popular movies, are nothing new on campuses, scholars are nothing new on cami es at Penn State would rise to say that in the era of AIDS, this is a phenomenon worthy of a close look.
"We may be moving back to the

medieval notion of romance, love that is

unrequited," suggested Geoffrey God-bey, professor of leisure studies at Penn State. "These dances provide sensuality sociologist with a scholarly interest in and imagination. But, like Web pornography or phone sex, they are safe."
It is the structured nature of the malefemale relationship in ballroom dancing,
the courting rituals and prescribed steps
that have drawn the attention of analysts.

They also note other aspects: the strenuousness of the dances for a generation that knows the importance of exercise, and the desire by some for social graces

some campuses. Finally, college officials say, anything that competes with binge drinking. the current plague of college campuses,

"During the first year in college it is so important to feel like you belong, have a group," Mr. Bradley said. "If it isn't happening, drinking fills that void. The conventions around dating fell away in recent-decades. I have students come in and say they want intimate relations but don't know how to get there. Ballroom dancing is one answ

The trend also seems to be a middleclass revenge against the formlessness of popular dance that began in the early 1960s when Chubby Checker's twist sent partner dancing packing. Dancing, for millennia a form of social glue, deteriorated in the 1960s into group chaos against a background of loud, pulsating rhythms and nervous two-step hugging

to slower songs.

As Laura Kelso, an 18-year-old Penn State freshman, put it in describing her

Kay Teague, vice president of the youth college network of the U.S. Amateur Balliroom Dancers Association, etiquette courses are also on the rise on etiquette courses are also on the rise on without steps. People need some kind of structure, some form of socialization.

In the Penn State ballroom dance classes, held in several large gymnas-iums with pale green walls, exposed should be encouraged.

"I see it as a kind of continuation of lives and worm wooden floors, that is pieces it as a kind of continuation of precisely what may be observed. There said flighted kids' soccer leagues, increasingly struc-mred social interaction," said Craig are no smart-alecks here, said Elizabeth Bradley, dean of student affairs at Hanley, the teacher with nearly four Bowdoin College in Maine; which is decades of experience. Here are tomoralso experiencing a surge in ballroom row's stalwarts in all forms, the smoothly decorous, the knobby-jointed and the floppy-footed, content to be addressed as 'ladies and gentlemen."

"It is always good to know how to dance," said Jeffrey Ellis, a rangy 22-year-old from Pittsburgh just finishing an accounting degree. His skilled dance partner, Cara Chieffallo, a 22-year-old funire accountant from Pittsburgh and a natural with the tango, added, "I always like a guy who knows how to dance

The course they are in, which fulfills their physical education requirement, is taught by Ms. Hanley and her husband, Patrick Kolivosky. Together, they say, they teach not only dance but also posture, grace and self-confidence.

If you stand up straight like that here on the dance floor, why not hold that posture for your next job interview?" Mr. Kolivosky said.

The specifics of the course involve: moves like the fox trot Westchester step: basic box, quarter turns, lady's turn, dip and two turns, Bolero break, weave and conversation pivot.

The other dances include the waltz, polka, tango and swing. The current generation of swing dance has much international influence, especially Latin

The international element seems especially significant on some campuses. At Ohio State University, for example, the dance club, which two years ago drew about 100 students each week and now draws about 300, is heavily Asian and Asian-American.

"This is a structured, legitimate way for young people to meet, and that can be especially important for foreigners, "said Robert Rodgers, the club's adviser and a professor of education and psychology.

Gail Stentiford, assistant director for recreation at New York University, said ballroom and swing dance had so taken over her program that she had to cancel a rock 'n' roll dance class for lack of

Ms. Stentiford, too, ooticed the interest among foreign students. "It's a wonderful melting pot," she said, "with different cultures bringing different techniques to the floor.

Ms. Stentiford said she was struck by the contrast with the 1960s. "Safe sex has translated for many today into no sex," she said. "I'm a creature of the 1960s, the days of free love, and, let me tell you these kids are scared. But these dances can be very sensuous, and they become a physical with one another in a nonsexual way that is romantic, a throwback to the

"We're going back to courtly love.
We have to because of AIDS."

BRIEFLY



JERUSALEM — Gunmen opened fire Monday on a van transporting Jewish settlers in the divided city of Hebron, wounding two Israeli women as the ve-

hicle was riddled with two dozen bullets. Israeli Army officials suspect the guomen were Palestinian militants, committing the first successful terrorist attack on Israelis since early November. They think the men fled from Israelicontrolled Hebron, where the attack occurred, into the Palestinian part of the city, where Israeli officers are not allowed to chase them. Defense Minister Jewish settlement of Kiryat Arba. Yitzhak Mordechai ordered the borders of Hebron closed to Palestinians. He also imposed a curfew on the Palestinians living on the Israeli side, confining them to their bomes, although some slipped out to throw rocks at Israeli

Sbooting rubber-encased metal buliets, the soldiers wounded two Palesinian youths, striking one 13-year-old

Prime Minister Benjamin Netanpeace agreement signed in Washingtoo army commander for the West Bank, in October. David Bar-Illan, a senior told Israel Radio.

estinians' commitment to peace under

Citing previous Palestinian violations, the Israelis have stopped complying with the agreement. They refuse to turn over any more land in the West Bank, a refusal likely to remain steadfast ontil Israelis go to the polls in May to elect a new government

In Hebron, the gunmen reportedly hid in an alleyway on a winding road and ambushed the van as it was leaving the Cave of the Patriarchs, a holy site to Jews and Muslims, and heading to the nearby Both women who were shot remained

hospitalized. Hebron, where 450 Jewish settlers live amid 150,000 Palestinians, has long been a troubled place, a flash point for violent confrontation, but until this at-

tack, it was experiencing a relatively

Israeli Army officials asked the Palestinians to hunt for the suspects, "We approached the Palestinians and asked them to take action in their territory in yahu's office quickly denounced the order to investigate the matter and cap-gunmen's sbootings as an attack on the ture the attackers," Yitzhak Eitan, the



ISRAEL APPROVES EARLY ELECTION - Ehud Barak, center, leader of Israel's Labor Party, being congratulated by fellow party members in the Knesset on Monday. The Parliament gave final approval for early elections May 17. Mr. Barak intends to challenge Prime Minister Benjamin Netanyahu.

### BRITAIN: Government Scandal Claims a 3d Victim, the Chancellor's Press Secretary

Continued from Page 1

John Smith. Mr. Whelan, 44, is a Brown department he serves, becomes the story loyalist long seen as a stoker of a sim- and the subject of excessive attention. mering feud between his boss and Mr. Mandelson that has continually flared since Mr. Blair became prime minister. Mr. Whelan was suspected of being the person who disclosed the secret ar-

rangement between Mr. Mandelson and Mr. Robinson. In a statement Monday saying that be would be quitting "as soon as an appropriate opportunity becomes avail-

the one who turned Mr. Mandelsoo in. "I want to make it absolutely clear that I was out responsible for disclosing any informatioo about Peter Mandelson's mortgage and 1 refute any suggestion that I was," he said. "I do, resistance to direction from No. 10 however, take the view that the job of Downing Street. He bade him a blunt

Press secretaries and information management have become stories more frequently in this government than in past British ones because of the importance the Blair people attach to

presentation, or "spin."

Alastair Campbell, a former correspondent for the tabloid newspaper The Mirror and Mr. Blair's official spokesman, has insisted on a level of coordination in the able," Mr. Whelan denied that he was issuance of government information unseen until now in Britain. Officials and their spokesmen are regularly encouraged

to stay "on message."

Mr. Campbell has been frequently reported to be put out with Mr. Whelan's

press secretary becomes extremely dif- farewell Monday, saying, "I have got no house in the fashionable Notting Hill that he will probably enjoy more and

which will use his talents well." Mr. Whelan and Mr. Mandelson shared the same press booorific, "spin doctor," but little else.

Mr. Whelan, a youthful Communist and former union press officer, is affable, gruff, profane, someone who the Press Association, Britain's domestic news agency, said "never called a spade a spade when he could call it a bloody shovel." Mr. Mandelson is silky and urbane, an Oxford graduate with cosmopolitan taste in friends and clothes who embraced the world of business and

taught the Labour Party to do the same. Mr. Mandelson accepted the loan from his millionaire colleague on the Labour back benches when he decided to move from a modest apartment to a

expected that a family inheritance would enable him to pay it back promptly.

Mr. Whelan fell under suspicion dur-ing the last 10 days of intense media speculation because he is a friend of Paul Routledge, a journalist who last year composed an admiring biography of Mr. Brown and is oow publishing a damning one of Mr. Mandelson that began scri-

alization in The Mirror on Monday. The information about the secret mortgage was in the first chapter of Mr. Routledge's book, but The Guardian published it first on Dec. 22, leading Mr. Mandelson and Mr. Robinson to resign

the following day.
On Sunday, The Mirror accused The Guardian of stealing a look at Mr. Routledge's manuscript, but The Guardian Charlie Whelan arriving at the said it had its own independent source.



members for breaking into an office.
"This is a totally illegal act," Park Jie
Won, President Kim's chief spokesman,

There is no evidence directly linking

Mr. Kim or the Blue House - the pres-

idential office and mansion - to the

spying on politicians.
Indeed, some of the seized documents,
12 of which were made public, suggest
that the Agency for National Security

### Treasury in London on Monday.

The Associated Press

WEINFELDEN, Switzerland -A 70-year-old burglar collapsed and

The police said the cause of death had not been confirmed but that the man, who had used a master key to get into the apartment, had probably been struck by a sudden-illness.

The police said the burglar, whose name was not released, had a previous conviction for a similar

### KOREA: What's Going On in Room 529?

Continued from Page 1

from domestic spying. Mr. Kim has been bailed for his efforts to bring conciliation at home and across East Asia. But his critics say that having inherited a repressive apparatus, he decided not to dismantle it and instead redirected it to

monitor and intimidate his rivals.

So far, Mr. Kim has said nothing about the latest uproar, but his aides suggested that Room 529 was being used merely for liaison work between the National Assembly and the Agency for National Security Planning.

Some of the documents supposedly showing surveillance were actually just summaries of news articles, the aides said, and they denounced the opposition

### Planning was gathering intelligence on members of the governing party as well as on the opposition — and that it was concerned less with Mr. Kim than with protecting its own institutional hide from criticism by politicians of all stripes.

Opposition politicians called on the agency's director, Lee Jong Chan, to step down, and on Mr. Kim, who ap-pointed the director, to apologize to the

said of the break-in.

Mr. Lee took the offensive, though, and the agency filed a complaint with prosecutors, accusing dozens of opposition members of the National Assembly of heading and the national assembly of headin sembly of breaking and entering.

Prosecutors have been investigating the incident, even taking fingerprints off the door to determine who, precisely, broke the lock.

Under South Korean law, members of the National Assembly can be indicted but cannot be arrested while the assembly is in session, unless a majority of the members approve the arrests.

The governing party has the votes to do that, but such a move would lead to a total breakdown of political cooperation

The party, the National Congress for New Politics, did not say whether it might go as far as that.

### Israel to Deport **Doomsday Cultists**

PETAH TIKVAH, Israel - Israel oo Monday ordered 11 members of a Denver-based doomsday cult deported and brought two others before a magistrate on suspicion they plotted a Jerusalem shoot-out with police in bopes it would bring Christ's return.

. In all, 14 members of the Concerned Christians group — eight adults and six children — were arrested Sunday afternoon in raids oo two homes in Jerusalem suburbs.

Fourteeo cult members arrived in Israel in small groups in September and settled in two homes. They were under police surveillance for sev-

#### **UNEnvoy Arrives** In Angola for Probe

LUANDA, Angola - A United Nations special envoy arrived here Monday to investigate the downing of two UN planes in the central highlands, where Angolan government troops are engaged in fighting with rebel forces.

Meanwhile, the UN mission that

was overseeing implementation of the country's shattered 1994 peace accord continued evacuating its 1,000 staffers from war zones in the southwest African nation.

The UN envoy, Benon Sevan, said he had brought messages from Secretary-General Kofi Annan for President Jose Eduardo dos Santos and the rebel leader, Jonas Savimbi. He declined to reveal the content of the letters.

#### U.S. Officials Meet Colombian Rebels

BOGOTA - U.S. diplomats have met secretly with a Colombianguerrilla faction the United States officially considers to be terrorists, according to U.S. and Colombian

Details were still sketchy about the meeting in Costa Rica between State Department officials and members of the 15,000-member 2 Revolutionary Armed Forces of Colombia, which plans to enter negotiations with the government

### Sihanouk Offers to Stand Trial For His Links to Khmer Rouge

By Seth Mydans New York Times Service

PHNOM PENH — As passions rise here over whether to put former leaders of the Khmer Rouge on trial, King Noro-dom Sihanouk volunteered Monday to join them in the dock to answer for his past associations with the brutal Communist movement.

"I am ready to appear in front of a tribunal in charge of judging the Khmer Rouge and their real or supposed accomplices," the king said in a statement from Beijing, where he spends much of his time. "Even if the tribunal judges do not summon me, I will turn up any-

No one has suggested that the king stand trial. But he appeared to have been stung by reminders in the press that he lent his name to the movement, as its nominal head of state, at the start of the period from 1975 to 1979 when it ruled Cambodia and caused the deaths of more than a million of his

Many people in public life today, including Prime Minister Hun Sen, have had links with the Khmer Rouge, ither during the time they ruled the country or in the following decade when a coalition of royalists, democrats and Khmer Rouge fighters battled a Viemamese-backed government in Phnom Penh.

In addition to the political cross-cur-

rents that complicate a resolution to the

country's past conflicts, there is a oet-work of often-hidden personal relation-

ships that keeps past debts and rivalries

Both the United States and the United Nations, which have worked on preparations for a possible tribunal, have made it clear to the leaders of Cam-bodia that they have no intention of casting a wide net, a person involved

The preparations appear to be focus-

ing on a dozen top figures from the Khmer Rouge Central Committee and the torture house at Tuol Sieng prison, where at least 14,000 people were Among these are Khieu Samphan, the

movement's cominal head of state, and Nnon Chea, a top ideologist, who surrendered to the government on Dec. 25. Mr. Hun Sen at first seemed to say he opposed a trial, then seemed to say he favored one. The two men were allowed to tour the

capital before returning Monday to Pailin, an enclave of former Khmer Rooge in a remote area of western Cam-In an anguished statement last week, the King said he would have no part of

Mr. Hun Sen's seeming leniency and

asserted that he would not issue a royal

amnesty to the two men. He left it up to Mr. Hun Sen to decide their fate. The King, who is now 76, lent his name to the Khmer Rouge guerrillas after he was ousted in a United Statesbacked coup led by his army chief, Lon Nol, in 1970. The King's popularity was a major boost to recruitment by the small

communist insurgency.

#### Burglar, 70, Dies On His Rounds

died after breaking into an apartment, Swiss police said Monday.

The body was discovered by the owner of the apartment, also an el-derly man, Sunday afternoon.

### ACEH: 9 Rioters Die in Sumatra Violence

Continued from Page 1 intended to reassert their authority over

the province. From where my office is, about one kilometer from the shopping center, traffic looks normal," he said. "I can't confirm all shops are open but it seems

life is beginning to get back to normal. People are still cautious." Hospital sources said 39 people had been admitted for treatment, most suffering bullet wounds, including a woman shot in the stomach and in serious

The violence Sunday was triggered by

a military raid to try and capture the leader of the "Free Aceh" movement,

eluded capture, 132 people were arrested in the security sweep Saturday, an operation mounted in response to two earli-er attacks by separatists against the mil-Last Tuesday, eight off-duty soldiers were killed after being dragged from a

Unlike the 11 of their colleagues who produced civilian identity cards and escaped, the eight soldiers were discovered with military LD.

An army spokesman later said three bodies since recovered bore the marks of torture, including slash wounds. Meanwhile, a search is under way for two in South Korea. marines believed to be still alive after they were abducted in an ambush in

Ahmad Kandang. While Mr. Kandang northern Aceh last Wednesday.

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PARMA.

By Jennifer Steinhauer New York Times Service

TEW YORK — The cashmerecovered world of Bijan is one of many contradictions. On the one hand, the chairman of the company, Bijan Pakzad, could not be more ubiquitous. His face is plastered all over magazine advertisements and Manhattan billboards, where he appears with Michael Jordan and Bo Derek, smirking and vamping. On the other, he holds no fashion shows for his men's clothing line, is all but absent from the fashion press and permits into his store only people who have first made appointments.

Bijan, as he prefers to be called, will

not discuss who his customers are, yet a wall of his opulent Fifth Avenue store is covered with clocks, each bearing the name of one of his most loyal

And Bijan, who counts discretion among his attributes, seems almost singularly obsessed with money; he constantly cites the fat bank accounts of his clients, the high prices of his goods and his own wealth. Indeed, one of his advertising slogans is, "The costliest men's wear in the world."

. The staff members in his store seem equally versed in his design equation: Wealth equals importance importance equals a need to shop for clothing in the

confines of a private store and clothing into Bo Derek's hair for a perfume adpurchased there must live up to a reputation for exclusivity in the form of very expensive fabrics, hand-tailoring and mink lining where it is least expected. Then, there are the prices. Bijsm and his staff revel in the fact that his \$15,000 vicuna coat, \$350 set of ties and \$65,000 luggage set with crocodile trim are prohibitive to most.

"One one-tenth of one percent of the world's population can afford to shop in such splendor," boasted Steve Stalder, a Bijan salesman who has worked in the store for 17 years. "When these men walk into the room, people tremble." If the thetoric inspires giggles and the

prices gasps, the aesthetic — upscale Beverly Hills dentist, as one fashionista put it — is almost a footnote to the whole operation.

By his own admission, Bijan does not subscribe to trends in men's wear, sticking instead with classics like windowpane wool suits and cashmere sweaters in a plethora of colors. Accents include the odd electric-blue python jacket, from a fashion genre best de-scribed as early midlife crisis. "My point is to be simple and classic," Bijan said in a telephone interview from his headquarters in Los Angeles.

His flamboyance and eccentricities attract snickers - this is a man who had \$20 million worth of diamonds braided

vertisement, then hired armed guards to stand outside a Beverly Hills hotel while she slept. And his lack of shows and editorial coverage means that many in fashion have no idea what he is

"Bijan? I don't have any clue," said Valerie Steele, a professor at the Fashion Institute of Technology. "As far as 1 can make out, the image is someone who makes perfume and fashions for

But Bijan also deserves credit for perseverance. In an age where super-exposed designers can nonetheless be financial failures (think Isaac Mizrahi), he has managed to keep a very 1980s concept up and running. He has done so in large part by being among the first and most successful designers to take their name and reproduce it in a fragrance.

He came to the United States from Iran in 1971 with some family money. "I came here with the thought to be a designer," he explained. "But I found no one could carry my designs to reality. So 1 became a manufacturer. Then, I needed a showroom. I decided to do it my own way. It is very snohby, by appointment only, but I thought if I showed my clothes with taste and quality for a few thousand people, I would be successful." His Beverly Hills store opened in 1976, New York in 1983.

But it is scent that drives the business Bijan, his signature perfume and his only product for women, is expensive, but at \$65 for the eau de parfum, it is an indulgence many women have gone for since it was introduced in 1987.

There is also his DNA line, Bijan bight and the Michael Jordan fragrance. which he holds the license, which is sold in places like the Sports Authority. Of the \$150 million in revenues he says he made last year (the company is privately held and its finances cannot be checked), two-thirds came from fragrance sales, he said.

Letting cosmetics and scents bankroll the house is now the oldest trick in the book - Christian Dior sells more bottles of perfume in one week than dresses in a year, and Ralph Lauren and Calvin Klein long ago realized that the road to prof-itability is paved with citrus and musk-

but Bijan is among its pioneers.
"The signature fragrance is considered a classic," said Annette Green, president of the Fragrance Foundation. 'He is different in a way, because be was not like Ralph or Calvin, who are fashion designers to the masses. No one ever heard of him. He did some very clever things to get himself recognized."

That would be spending more than \$30 million a year in advertising, often

doing an entire campaign that runs only once. In a business driven by new products, constant advertising is a must. And while Bijan is no Chanel No. 5, the fragrance is still among the top 20 sellers in many stores, Green said.

As quiver-inducing as the Bijan cus-tomers may be — and, according to the wall of clocks, they include Stevie Wonder, Bill Blass, Stephen King and a myriad of kings and princes from the Middle East — it seems that they, too, sometimes need fashion tips.

For these men, there are six closets of clothing, each representing one color. Butter-yellow shirts, pale yellow wool jackets, gold ties, a cashmere jacket in a sunshine bue. "If you were a gentleman



The designer Bijan does not care much for fashion trends, sticking with menswear classics like windowpane wool suits and cashmere sweaters."

who is too busy thinking about your business and does not have the confidence to dress," Stalder said, "this

There are three-piece single-breasted suits in fine wool, and many items are lined with this year's scarf print of choice, one that features swords inspired by Bijan's personal Napoleonera collection.

HE STORE has all the touches one would expect — opera mu-sic, doors that swing open automatically and lead to a showroomlike space where meo can model their new outfits, a wine cellar, a \$2 million chandelier hanging above a the-

So, who is all this stuff aimed at? "It is probably a very affluent older gen-tleman who isn't worried about what celebrity is wearing what to a party," said Bruce Pask, the associate fashion director for GQ magazine. "He doesn't know about trends and doesn't care about them." (Things sometimes turn sour with even the best customer ---Bijan is suing the Sultan of Brunei over syments for a line of fragrances.)

Brett Neuhig, his spokesman, describes Bijan this way: "He is difficult, but he has every right to be. He pushes the creative envelope. The first time he took me around the store, I had chills all over my body.

Fortunately for him, there was plenty of warm cashmere around.

## A Priestess of Adornment Zen

By Anne-Marie Schiro New York Times Service

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FEW YORK - You may admire Kazuko's work, but don't. call her a designer. "I don't design," she said em-phatically. "I make things." What she makes are one-

of-a-kind necklaces, pins, earrings and bracelets of pre-cious and semiprecions stones wrapped in gold wire; evening belt purses of antique fabric trimmed with pearls and crystals; hand-painted stationery, and vests made of antique laces adorned with delicate stones.

Her jewelry has earned her a loyal following in the 10 years it has sold at Barneys New York stores, but the newer note cards and fabric pieces have created the impetus for an exhibition of Kazuko's work planned for spring at the Holly Solomon Gallery, at 172 Mercer Street.

Kazoko considers herself an artist. Others may call her an artisan. She makes everything herself, with no assistants, working on the floor of her all-white apartment high above West 57th Street. "I call this a high-rise loft," she said, pointing to a view of Central Park and beyond through uncurtained windows. "I'm obsessed with light. When I meditate, I look at the clouds."

She lives with almost no furniture, stacking ber belongings on the floor and covering them with white fabrics like dropcloths. "I grew up very

modern in Japan, and now I live very Japanese," she said. Her piles of books are blanketed with gauze. "I cover them because they talk too moch," she said. They have too much energy coming but." The only color comes from spindly plants, tiny animal figurines, framed photographs and, when she works, colored stones like coral, tourmaline and aquamarine.

A diminutive, birdlike woman with long hlack hair, Kazuko wore nothing but black for many years, until her acu-puncturist told her that hlack attracts "negative energy." (Tell that to the fashion flock.) Now she wears only white, usually voluminous swaths of fabric from designers like Issey Miyake, Fernando Sanchez and Yeohlee. "I totally believe in fashion," she said. "Fashion is like Zen. What we put



cell phone pearl pouch on gold wire goes for \$1,875.

on our body is as important as what we cat and breathe." She wears a bracelet encasing three large clear crystals on one wrist and a changing assortment of necklaces holding colored stones and crystals around her neck. The stones she chooses carefully each day, not for color but for symbolism. She believes in the power of crystals, attributing special properties to each stone and calling her

jewelry "healing sculpture."
"You feel a healing energy when you stitch each bead," she said. "Your heart has to be in the right place. If I'm angry, 1 can't make these things. The needles cut and the wires bruise my skin."

She said that when someone first sugested rubbing a stone for 15 minutes a day to release its healing power, she was skeptical. "I tried it for two weeks and began to feel better," she said. "I began to study crystals. This belief in crystals didn't start in the '60s. It has been throughout history. I envisioned the

caveman seeing a crystal in his cave and rubbing it until it

Some of the women who wear her jewelry believe, like Kazuko, that it has talismanic properties. Kitty D'Alessio, a former president of Chanel and of Josie Natori, wears Kazuko's clear crystal bracelets all the time since a bout with cancer five years ago.

In New Age-speak, clear quartz crystal is supposed to balance the emotions, stimulate the brain and dispel that negative energy. But it's a good bet that most women who wear Kazuko's jewelry aren't interested in magical qualities. They just admire it for its beauty and because it rarely fails to elicit admiring comments. That is certainly why fashion magazines pho-toggin the lewelry, and why it has retained a prominent spot in every Baracys store.

Although Kazuko, who uses just one name ("like Cher and Madonna." she said), studied painting as a child in Tokyo, she dabbled in many arts after arriving in New York in 1968 on a scholarship. "I studied theoretical drama at NYU and went to La Mama and worked there for a vear." she said.

She then became interested in photography and ex-hibited her hand-painted photographs in a photo gallery in 1972. When she developed

an allergy to the chemicals, she looked for a new outlet. "I became a technojunkie and started making videos," she said. "I was making avant-garde videos, trying to express everything poetically. I wanted to make technology my slave, but it didn't work out. Technology was not making me happy."

ER friend Robert Frank, the photographer, told her to do something simple, "something that makes you happy. Since she had been collecting antique fabrics and beads, she started to make scarves and adorned them with the beads, "I wanted to do something one of a kind that comes out of my hand and my heart," she said. "I used to wrap the stones with silk threads, but I had no idea silk wouldn't hold the stone. That's when she discovered gold wire and developed the cagelike wrapping that became the Kazuko signature.

#### **BOOKS**

ON SUNSET BOULEVARD The Life and Times of Billy Wilder

By Ed Sikov. Illustrated. 675 pages. \$35. Hyperion. Reviewed by Andrew Sarris

THE epigraph to the preface of Ed Sikov's finely wrought and prodigiously researched biography of Billy Wilder quotes the congenitally feisty filmmaker thus: "In real life, most women are stupid - and so are persons who are writing biographies of Hollywood celebrities." This pronouncement helps explain why Wilder refused to grant Sikov even a token interview, but it is wildly inaccurate when applied to the author of "On Sunset Boulevard." With the insights of a sophisticated film scholar and the expertise of a tenacions reporter, Sikov takes us with Wilder on a 90-year roller-coaster ride from the twilight years of the Austro-Hungarian Empire through Weimar Berlin, Hitler and the Holocaust to the last sunsets of the Hollywood studio system.

But if the second part of Wilder'a derisive quotatioo is incorrect, the first part, with its woman-hating bravado, has misled even so astute a chronicler as Sikov to take Wilder at his word too often and too relentlessly. Indeed, 1 lost count of the number of times Sikov uses variants of the word "misogynous" to describe Wilder's work. Misogynous compared with whom? John Huston, Orson Welles, Sam Peckinpah? Any writer-director responsible for the ecstatic explosions of romantic love in "The Major and the Minor" (1942), "The Lost Weekend" (1945), "Sabrina" (1954), "Love in the Afternoon" (1957), "The Apartment" (1960) and The Private Life of Sherlock Holmes" (1970) can hardly be singled out for censure amid the overall sexism of the

time and in our own. Similarly, the facile allegations of cynicism leveled at Wilder, even by a onetime and repentant detractor like me, tend to be overemphasized in the book,

motion picture industry both in Wilder's

which is otherwise a perceptive and profound appreciation of one of Hollywood's most accomplished and consistently iconoclastic filmmakers. Sikov acknowledges that Wilder's harshest films seem in retrospect gentler and more civilized than the brutish spectacles to which we have been conditioned in the increasingly apocalyptic 1990s. Yet it can be argued that Wilder even in his own era was compelled by his contrarian tastes to inject new twists and turns into the familiar Hollywood formulas for comic and dramatic shock effects.

Not that Wilder ever lacked other reasons to be cynical. From the day of his birth on June 22, 1906, in Sucha Beskidzka, in the Galician province of the decaying Austro-Hungarian Empire, his existence was clouded by a virulent anti-Semitism that long antedated the Nazis. He faced it in Vienna, where he began his career as a journalist in 1925, and in Berlin, where he plunged into screenwriting.
Sikov follows Wilder through a maze

of paradoxes. Though Hollywood considered him more a screenwriter-director than a director-screenwriter, he very seldom wrote a script without a collaborator. To explain Wilder's professional survival in Hollywood's ultra-Darwinian jungle — his directorial career ex-tended from 1942 to 1981, with a very high percentage of critical and commercial successes, including six Oscars - Sikov skillfully interweaves the myriad details of moviemaking. In particular, he describes the contrasting chemistries of Wilder's two collaborative "marriages" with his writing partners Charles Brackett (from 1938 to 1950) and L.A.L. Diamond (from 1957 to 1981). Wilder's unilateral "divorce" from Brackett right after the co-writing coup of "Sunset Boulevard" is treated as a sour note in

Wilder's triumphant processional through talking pictures. Wilder's first project after breaking with Brackett was "Ace in the Hole," an angry assault on the public's morbid fascination with burnan disaster on a scale intimately identifiable enough to tunately, the paying public in 1951 stayed away in droves.

Wilder rebounded from this setback with a succession of less personal but more commercially palatable movies with a variety of screenwriting collaborators. Then in 1957, with "Love in the Afternoon," he joined forces with Dia! mond, a young screenwriter with whom he could work much more smoothly than he ever had with Brackett. As with his second wife, Audrey Young, to whom he has been married for close to half a century. Wilder was second-time lucky!

Of all his fellow German Jewish émigrés. Wilder most admired and adored Ernst Lubitsch, with whom he and Brackett had worked on 'Ninotchka' (1939). But the director who influenced him the most stylistically - and this is one of Sikov's most ootable revisionist coups - was Howard Hawks, with whom he and Brackett collaborated on the 1941 comedy "Ball of Fire." What Wilder admired in Hawks was his ability to edit in his mind, so as to leave no 'covering shots' for producers to play games with in the editing room. Also, Hawks, in Wilder's eyes, never be-trayed the script for the sake of a personal flourish of visual virtuosity.

All in all, Sikov, whose previous books include "Screwhall: Holly" wood's Madcap Romantic Comedies"; and "Laughing Hysterically: American Screen Comedy of the 1950's," has rainted as good a present of Pille painted as good a portrait of Billy Wilder, the man, the artist, the showman, the self-promoter, the profitable prescient art collector and the successful businessman, as we are likely to get from the outside. Indeed, Sikov's is less a still portrait than a blurry, moving picture of an eternally restless human being, racing from country to country, pacing up and down during screenwriting conferences! dashing about from one set to another and from one story idea to another.

Andrew Sarris, whose most recent book is "'Yau Ain't Heard Nathin' Yet': The American Talking Film — Histary and Memory, 1927-1949," wrote this incite a press feeding frenzy. Unfor- for The New York Times.

#### **CROSSWORD**

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26 Agreeing (with) O New York Times/Edited by Will Shortz.

> FOR INVESTMENT INFORMATION Read THE MONEY REPORT every Saturday in the IHT.

By Robert Byrne

THE ancient pawn sacrifices for at-I tack occur mostly on the second move of the game, the earliest point at which one could make such an offer. But nowadays the Dilworth Gambit is played on the 11th move, the Mackenzie Gambit on the 16th move and several nameless gambits in the King's Indian Defense in the middle game. Almost everything has been worked over.

Nevertheless, a new one, so far unnamed, made its appearance this year. The English grandmaster Jim Plaskett invented it and Boris Gulko, Board 6 on the American Olympiad team, used it to win a rousing battle against Liviu-Dieter Nisipeanu, a Romanian grandmaster. In the Petrosian System against the

QUEEN'S INDIAN DEFENSE GuZko

White Gulko Black Nisipanu N76 66 b6 55 Bc4 Bf3 b5 Qa5 Ne4 Nd2 Nisip\*nu 0-0 Bg5 Nc6 Bd2 Rb8 Qb6 Qa5 Qa4 g6 Qb3 Qb2 13 Q13 14 d6 2 Nf3 15 Qa8 16 Qb7 17 Kd2 6 Nc3 20 b4 21 Rfcl 22 Rc5 9 Nb5 10 Nc3 23 Rc6 11.Bd2

Queen's Indian Defense, after the Nimzovich-style 5...Ba6, routine play has not succeeded lately. That's why there was pressure on White to vecture a gambit with the wild 6 Nc3!?, originated this year by Jim Plaskett against Mat-

**CHESS** 

thew Turner in Nottingham, England.
After 7 e4, it would have been no good to play 7...ed because 8 Bc4 dc 9 e5 Ng8 10 O-O gives White an attack against a king that will have trouble getting out of the center.

After 8 Rf1, Turner had played 8...d6, but after 9 de fe 10 Qb3 Qc8 11 Bf4, he was still facing a dangerous attack. Ni-sipeanu, on the other hand, lashed out with 8...b5 9 Nb5 Qa5 10 Nc3 Ne4 to diminish the white center.

After 12 Nd2, the critical position arose. If 12...Qc7 13 Qf3 Qe5 14 Kd1 Qf6, then 15 Qg3 d6 16 Nde4 Qd4 17 Kc2 ed 18 Rad1 Qe5 19 Nd6! Bd6 20 Rfe1 wins. If 12...Na6, then 13 Qf3 Rb8 14 Nc4 Qc7 15 O-O-O gives White a

Nisipeann gave op a rook with 12...Be7 13 Qf3 O-O (13...ed 14 Nd5 No6 15 Ne7 Ke7 16 O-O-O Qb5 17 Qe4 Kf8 18 Nc4 yields Gulko a smashi attack) 14 d6 Bg5 15 Qa8 Nc6 16 Qb7 Bd2 17 Kd2 Rb8 18 Qd7, bot then played the hopeless 18...Qb6?.

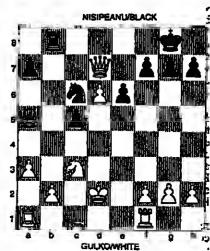
Gulko and Alexei Yermolinsky pointed ont that his only chance was 18...Rb2!? 19 Kd1 h6! 20 Qc8 Kh7 21 Rcl Qb6 22 d7 Nd8! 23 Qa8 (23 Ne4

Qb3 24 Ke1 Qd3 forces mate) Qd6 24 Nd5 Qa6!, which actually wins for Black. They also gave 21 Rh1 Qc3 22 Rb2 Qb2 23 Qc6, but after 23...Qb1! 24 Ke2 Qc2 25 Ke3 Qc3 26 Ke2 Qc2;

White cannot escape perpetual check.
Nisipeanu's 18...Qb6? threatened
19...Qb2 as well as 19...Rd8!, but Gulko fought his counterplay down with 19 Na4! Qa5 20 b4 Qa4 21 Rfc1.

After 24 Kd3, Nisipeanu gave up in

the face of 24...Qa1 25 Rc8 Rc8 26 Qc8



Position after 18 Qd7

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The Associated Press.	Į į

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PAGE 11

## Malaysia Takes Over MBf Finance

Preemptive Action' Puts Central Bank in Control

> By Thomas Fuller International Herald Tribune

KUALA LUMPUR — The central bank took control Monday of MBf Fibank took control Monday of MIDI ra-nance Bhd., the biggest finance com-pany in Malaysia, in what the gov-ernment said was a "preemptive action" designed to strengthen the troubled company's management.

Analysts were surprised by the move, which transferred cootrol over the country's biggest source of housing and car oans to a bureaccrat.

"It shows that things are still a bit shaky," said Mohammed Ariff, exec-otive director of the Malaysian Institute of Economic Research.

MBf Finance, like many other Malaysian banks and finance companies, has struggled as the country's economic collapse has forced borrowers into default. More than 20 percent of MBf's loans have turned bad.

The central bank's move stripped

control — at least temporarily — from a high-profile millionaire family that unfil two years ago could boast of a rags-

to-riches success story.

Loy Teik Ngan, 37, heir to the family business after the death of his father, Loy Hean Heong, in November 1997, was effectively fired Monday as chief executive officer and replaced by Low Ngiap Jin, an official at Bank Negara, as the central bank is known.

It was unclear whether the transfer of control to the government would be

'Under the law, when we take control it means that the board of directors of that institution have no more power," said an official at Bank Negara who asked to remain anonymous. "But if they can come back with a reasonable course of action, then this order may be

MBf is still able to pay its debts, according to Bank Negara, but "re-duires recapitalization." It did not say how much would be needed.

. The central bank also took control of Kewangan Bersatu Bhd., a smaller fi-

Until it ran into financial difficulties two years ago, MBf was a textbook

In "Against All Odds: The Making of a Billionaire," an autobiography published in 1997, the senior Mr. Loy wrote: "I am now preparing the com-pany for the next 50 years, when my children and grandchildren will take over and turn it from being Malaysia's biggest financial-services company into an international conglomerate powerful enough to take on the Fortune 500 companies that dominate world trade."

The family invested in what — in hindsight — were all the wrong industries, given the economic crisis that swept the region in 1997: hotels, stockbroking, property development and as-sembly of imported cars. MBf Finance, the family's flagship company, focused on loans to stock-market investors and real-estate buyers.

MBf's precarious situation is not news to Malaysians. In late 1997, when word spread that the elder Mr. Loy was in bad alth, many of the finance company's 120 branches saw runs on their deposits. The government quickly moved to assure depositors, who had entrusted about 17 billion ringgit (\$4.49 billion) to MBf, that their money was safe.

Perhaps to repair the damage to its reputation, MBf recently began a multimillion-dollar advertising campaign aimed at appealing to Malaysians' patriotism. The television ads featured the Malaysian flag fluttering in the wind.

"They were probably hoping that the government would give them some help, given that they were good corporate citizens, said Lai Tak Heong, director of research at SG Research Malaysia Sdn. in Kuala Lumpur. 'I think that's what they were trying to do."

MRf's problems are not unique Malaysia's banking system is saddled with billions of dollars of bad debt. In an effort at consolidation in the industry, the government announced plans last year to encourage mergers, hoping to bring the from 39 to eight. But the central bank's deadline for mergers has come and gone with only a handful of finance companies announcing plans to join forces.

### Europe's Currency/A Global Player







Top left: Parisians were treated to a "24 hours of the euro" parade as part of the introduction of the new currency Mon-

Top right: "The euro is there,' the Frankfurt stock display informed traders as the DAX index gained more than 5 percent Monday.

Left: Wall Street greeted the new year and currency on the first trading day of 1999 by running 10 bulls in front of the New York

### Asian Markets Bid Euro Up

By Philip Segal

HONG KONG - Asian traders sent the euro higher in its first full day of trading against the dollar and the yen Monday, while investors betting that Japan's exports will get more costly pushed Tokyo stocks to their lowest level since October.

Europe's new currency for 11 nations finished in Tokyo at 133.92 yen, up from the rate of 132.80 yen set by the European Commission. The dollar finished at 113.50 yen, down from 115.70 yen before trading halted for the New Year holiday.

The yen's rise against the dollar hammered Japanese stock prices; a stronger yen makes Japanese exports more expensive in foreign mar-kets. The Nikkei 225-stock index fell 426.28 points, or 3.1 percent, to 13,415.89. The weaker dollar also helped send stocks 2.4

perceot lower in Hong Kong, which has a currency linked to the U.S. currency. The benchmark Hang Seng Index finished down 239.41 points at 9,809.17. From the point of view of foreign investors, Hong Kong stocks lose value when the dollar declines. Despite the effect on the stock markets and

across Asia intent on recording the euro's first full day of business, volume in the euro was light for most of the Asian trading day.

Lauwick, head of sales for foreign exchange in Asia at the French bank Societe Generale, said: 'Customer demand is high in terms of information. In terms of deals, people are looking more as observers."

"It's less active than people expected," said Frederick Ao, senior vice president at State Street Bank in Hong Kong. A trader at HSBC in Hong Kong added, "People, when they meet something that's not so familiar, they just retreat."

In addition to gaining against the dollar, the curo rose against all major Asia/Pacific currencies ex-

cept the Australian dollar and South Korean won. A few banks operating in Asia sat out the euro's first day. "Some of the bank systems were out ready at the medium-sized banks," said an interbank currency trader in Singapore. "They didn't trade." Still, interest in trading curos against the dollar was substantial enough that trading in yen, pounds, Swiss francs and Australing in yen, pounds.

tralian dollars was lighter than usual, he said. Traders said that if the euro continued to appreciate at the rate it did Monday, Asians could soon find the new currency a much bigger story than they did on its first day.

Asian countries are still prominent lenders to the rest of the world, with well over \$500 billion in foreign-currency reserves, more than 40 per-cent of the world's total. A big chunk of this is in swarms of television crews on trading floors highly liquid U.S. government bonds. A quickly In Japan, where many companies are still depreciating dollar could prompt sor closed for the year-end holidays, Vincent banks in the region to switch to euros. depreciating dollar could prompt some central

### **New Currency Alters IHT Tables**

By Laurence Desvilettes International Herald Tribune

PARIS - The advent of the euro instantly redraws many of the currency, stock-market and other statistical tables in the International Herald Tribune that are followed daily by travelers, investors and general readers.

The following is a guide to the changes that start with this issue of the IHT.

PAGE ONE: The exchange rate of the euro

against the dollar joins the daily currency and stock-market table on the front page.

CURRENCIES: The daily Cross Rates currency table (below left) now lists the spot rates of

the euro against eight other currencies. A separate table has been added beside it for the cross rates — now permanently fixed — of the euro member currencies against one another,

as well as the euro's rates against the dollar, the pound and the yen.

SHARE PRICES: In the daily World Stock tables have been shortened.

Markets table, published on Page 13 in this edition, share prices of companies in the 11 euro member countries are oow quoted in euros, and two sets of European stock indexes have been added to the table — a curo-zone-only indicator and a wider pan-Enropean gange. This has been done to provide better analysis of share-price movements as trading shifts toward a pan-Euro-pean environment with the introduction of the single currency. Within each of those sets of indexes, we have selected two blue-chip indexes and one broader benchmark.

BONDS: Uoder the new heading "Interest Rates" (Page 12 in this edition), a table of government debt issues from the core euro countries plus Britain and Japan has been added.

AMERICAN EQUITIES: The table listing

trading on the American Stock Exchange has been moved off the Americas page and will be printed with the New York Stock Exchange and Nasdaq stock tables. The NYSE and AMEX

### Forecasts for '99 See U.S. Making a Soft Landing

By Sylvia Nasar New York Times Service

NEW YORK - Last antumn, with global financial markets imploding and recession fears rampant, Alan Greenspan, chairman of the Federal Reserve Board, told a group of business fore-casters that he had been 'looking at the American economy oo a day-by-day basis for almost half a century' but had "never seen anything like this." Not even be could have foreseen the

chain reaction that began with a currency crisis in Thailand. Who would have thought that stock markets as distant as Moscow, Rio de Janeiro and New York would tumble like dominoes?

Or that an avalanche of bankruptcies and the cear-collapse of the high-flying hedge fund Long-Term Capital Man-agement LP would follow and credit markets around the world would virtually freeze np?

Or that a series of three modest in-terest-rate reductions by the Fed — and similar actions by its counterparts abroad - would restore calm and confidence in a matter of weeks? Predicting the economy's ups and downs has always been tricky.

History is full of famously wrong forecasts, from the economist Irving Fisher's assertions throughout the Deression that recovery was imminent, to Mr. Greenspan's statements two months after the 1990 recession began that chances of a downturn were minimal.

A 25-year study by the National Bn-reau of Economie Research, a private group in Cambridge, Massachusetts, concluded that growth estimates for the year ahead typically err by 100 percent or more and that, computer age or oo, they have become no more accurate

Last year, when economists were sure

**European Cross Rates** 

case in point, as far as the U.S. economy is concerned: Growth was much faster and inflation and unemployment stayed much lower than predicted.

What now? The expansion that began in 1991 is about to become the secondlongest since America entered the industrial age in the late 19th century. This alone suggests that the likelihood of recession is rising, but almost no one

#### ECONOMIC SCENE

is predicting one in the foreseeable fu-ture. Even the economists at J.P. Morgan & Co., a company that is among the few bears, say such a downturn will be "the shortest and mildest recession we've ever had."

In fact, most economists say that this year is going to look the way they thought 1998 would look. Growth is

supposed to slow sharply, profits to shrink, inflation to creep up, unemployment to edge up a bit.

The Blue Chip consensus of 50 forecasters expects U.S. economic growth to slow to 2.2 percent compared with to slow to 2.2 percent, compared with 3.7 percent last year, and inflation to accelerate to 2.2 percent from 1.6 percent last year.

Sure, they may he wrong. But that is exactly the kind of soft landing that Mr. Greenspan and other central bankers have been hoping for.

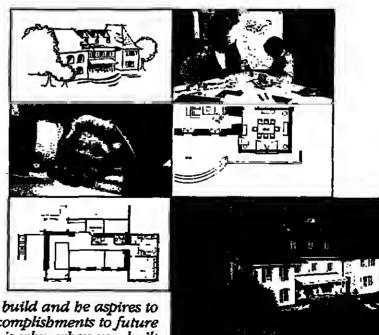
Three forces, economists say, may bring it about a sluggish world economy, a growing profit squeeze and a less than ebullient stock market. The unsettled global economy should continue to drag down growth in the United States. Mentill Lynch & Co. expects growth in the world's 45 largest economies to slow to just over 1.25 percent

See OUTLOOK, Page 15

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#### **CURRENCY RATES**

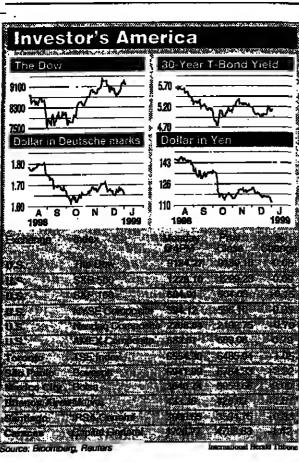
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uro Values





Markets Mixed as Investors Seek Novelty



#### Very briefly:

- L. AT&T Corp. is dropping a plan to separate its consumer and corporate businesses and will combine only its wireless and cable-television units in a subsidiary that will trade separately from its long-distance division.
- Intel Corp. introduced faster Celeron processors and cut prices on older chips as much as 21 percent as the world's largest chipmaker expands its products for low-cost PCs.
- Walgreen Co.'s first-quarter profit rose 20 percent, to \$104
  million, as the largest U.S. drugstore chain cut costs. Revenue rose 15 percent, to \$4.02 hillion. - The National Association of Purchasing Management's
- index of manufacturing activity fell to 45.1 in December from 46.8 in November as production and new orders declined.
- Mexico ended price controls and subsidies for one of its last year. Ford and Volvo AB have most basic foods, the corn tortilla. Grupo Industrial Maseca SA and Grupo Minsa SA, its two largest tortilla makers, are ship to develop vehicles to be sold in expected to benefit the most from the measure.
- Brazil's state development bank, known as BNDES, cut its ally, but Mr. Nasser played down long-term lending rate to 12.84 percent from 18.06 percent to the chances of a full combination. try to shore up economic growth and reduce companies' Bloomberg, Reuters

#### **Weekend Box Office**

The Associated Press

LOS ANGELES — "Patch Adams" dominated the U.S. box office over the weekend, with a gross of \$20.1 million. Following are the Top 10 moneymakers, based on estimated ticket sales for Friday through Sunday.

U. S. STOCK MARKET DIARY

1. Potch Adoms
2. Stepmom
3. You've Got Mall
4. The Prince of Egypt
5. A Bug's Life
6. Mighty Joe Young
7. The Foculty
8. Enemy of the State
9. Stor Trek; Insurrection
10. Jack Frost

AMEX

NYSE

**AMEX** 

### dex finished up 15.35 points at nine companies that make servers, it expected to report a loss for the

NEW YORK - Stock prices were mixed in a volatile session Monday, led higher by technology shares but falling back as investors trimmed back their outflows of cash from year-end bonuses and other sources into the market.

U.S. bonds fell as investors flocked to European stocks and bonds on the first day of trading for the single European currency, the

The Dow Jones industrial average which at one point was up more than 165 points, closed at 9,184,27, up 2.84 from Thursday, the last day of trading before the New Year holiday. Seventeen stocks rose for every 14 that fell on the New York Stock

Exchange. Broader market indicators also were mixed. The Standard & Poor's 500-stock index closed down 1.13 points at 1,228.10, but the technology-heavy Nasdaq Composite in- raised his forecasts for the stocks of hooks devices up to the Internet said Angeles.

rising in Nasdaq trading on investor and Xerox. Of those, Lexmark was expectation that their profit growth down, and NCR was unchanged; the would continue to outpace the rest rose IBM feil 11/2 to 183.

broader market, Those companies are going to continue to provide the leadership, said Robert Bloom, chief executive

#### U.S. STOCKS

at Friends Ivory & Sime, which manages \$3.5 billion and owns Microsoft and Intel. "They're getting bigger and executing better." Microsoft, the world's higgest software company, rose 2 5/16 to 141, and Intel, the No. 1 chipmaker,

gained 21/4 to 120 13/16. Computer bardware shares also rose; an analyst at Merrill Lynch

Among other active issues, Deyoung adults said it would try to Internet related stocks by selling shares of its on-line unit in an initial public offering.

E\*Trade Group rose 8 21/32 to 55 : 7/16 after the on-line broker said it would split its stock 2-for-1 for shareholders of record Jan. 15. Hilton Hotels rose 11/2 to 141/2 in its first day of tracting after Hilton spun off its

slumping casino husiness.

Spyglass Inc. dropped 7 to 15 after the maker of software that

2,208.04, having touched a record personal computers and printers: fourth quarter of 1998.

Dell Computer, EMC Corp., Sun MiMicrosoft and Intel were among the higgest gainers on U.S. markets, Group, NCR, Network Appliance avoid taxable distributions. The traditional influx sent 282 shares to 52week highs in U.S. trading, as 89 fell

"There's a lot of money that lia's rose 314 to 1534. The retailer of comes in that needs to be invested by casual apparel for teenagers and mumal funds," said Rao Chalasani, chief strategist at Everen Securities capitalize on investors' hunger for Inc. The Dow industrials have risen in January for 15 of the last 20

> Treasury bonds, which had been expected to rally on optimism about the U.S. economy, fell as investors embraced European assets. The benchmark 30-year bond fell 27/32 to 101 16/32, raising its yield to 5.15 percent from 5.09 percent.

"There's a lack of interest in U.S. Treasurys," said Graham Allen of Wells Capital Management in Los

gment and to Mercedes-Benz

### **Dollar Slips** Amid High Demand For Euros

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NEW YORK -- The curo rose against the dollar Monday. in a solid if quiet debut as the creation of a \$10 trillion market in stocks and bonds denomin-

ated in the single European cur-rency fueled demand.

"The euro's getting off to a good start," said Nigel Emmett of J.P. Morgan Investment Management. "People are:

Management. "People are building up positions."

In 4 P.M. trading, the euro rose to \$1.1830 from \$1.1735, its opening in Asian trading. The

#### FOREIGN EXCHANGE

single currency's initial refer-ence rate, set by the European Union's finance ministers Thursday, was \$1.16675.

Traders reported few probems in the switch to the euro, which took place over the weekend. That smooth transi-tion helped bolster demand for the new currency. But the deputy U.S. Treasury secretary. Lawrence Summers, said the euro did not pose a threat to the dollar as the world's reserve currency because U.S. econom-

ic fundamentals were strong. Also Monday, Treasury Sec-retary Robert Ruhin said the U.S. should focus on its own policies as the euro began. He declined to comment on the euro's initial movements against the dollar. The dollar fell against the yen amid speculation that international investors would need yen to buy Japanese government bonds, whosely ields are near 16-month highs.

Against other major currencies, the dollar was quoted at 111.925 yen, compared with 113.250 yen Thursday, the last day of trading before the New Year holiday.

The dollar also was at 1.3669 Swiss francs, down from 1.3740 francs Thursday, 1.6530 Deutsche marks, down from 1.6646 DM, and 5.5475 French francs, down from 5.5898 francs. The pound was at \$1,6607, up from \$1.6542. (Bloomberg, Bridge News)

### Ford Chief Denies Plan to Buy Volvo Truck Unit

DETROIT - Ford Motor Co. is not averse to an alliance with another automaker, but it is not now in talks with Volvo AB about the sale of the Swedish company's heavy-duty truck business, its chief executive,

Also on Monday, economists to more segment and to Mercedes-Benz than 4.7 million vehicles, profit will be much better than 1997," its euce in the Asian market."

Also on Monday, economists that II Section 2014.

Jacques Nasser, said Monday.
"We are not in any discussions

Speculation about further consolidation in the world auto industry has been rife since Daimler-Benz AG's acquisition of Chrysler Corp. talked about some type of partner-United States and internation-'Everyone talks to everyone," Mr. Nasser said. "In most cases they

are about cooperating on components or in terms of technology. Last year, Ford entered joint ventures with ZF Friedrichshafen AG to huild transmissions and with PSA Peugeot Citroen SA to develop die-

sel engines. Ford has also been mentioned as a potential acquirer of Bayerische Motoren Werke AG. Much of the speculation is fueled by the strength of Ford's balance sheet, which includes \$13 hillion in cash and \$10 hillion in securities, that could be

Even so, Mr. Nasser said there

Monday, Jan. 4

SOYBEAN MEAL (CBOT)

SUGARWORLD 11 (NCSE) 112,000 lbs.- conts per lb. Mar 99 8.08 7.89 8. May 99 8.08 7.89 8. Jul 99 7.24 7. Oct 99 8.08 7.95 8.

High Low Latest Chige Opini

was no acquisition that he viewed as mandatory. "We've still got a lot of largest automaker, which said 1998 the Chevrolet Corvette in the car

forecast that U.S. car and truck sales would remain steady in 1999 at around 15 million units, helped by low lending rates, low unemployment and gains in consumer purchasing power.

Automakers sold about 15.3 million cars and trucks in 1998, second only to the record of 16.05 million in 1986. Sales in 1998 were helped by General Motors Corp.'s campaign to rebuild market share after a crippling summer strike. Economists expect sales-spurring incentives to last into 1999 and predicted that unemployment that touched a 28year low in November and attractive financine would sustain consumer demand for cars and trucks.

Most U.S. automakers are scheduled to report their December sales Tuesday or Wednesday, Industrywide sales are expected to have risen 1.1 percent for the month, led by a 9.9 percent increase at Toyota Motor Corp., according to estimates by Luckey Consulting Group of Woodcliffe Lake, New Jersey. General Motors Corp. sales are expected to have slid 4.5 percent, while Ford Motor Co.'s are forecast to have risen slightly and DaimlerChrysler's sales to have gained 5.2 percent.

vW's New Beetle was named vW also unveiled plans for an-North American Car of the Year on other New Beetle model, the 1.8 T, Monday by a panel of 48 North with a turbocharged four-cylinder

American auto journalists, while engine producing 150 horsepower DaimlerChrysler's Jeep Grand and a suggested retail price of Cherokee got the Truck of the Year \$19,000. (Bloomberg, AFP)

scribers spent about \$1.2 billion

Net surfing to find that perfect gift.

America Online, the world's

for the first time ever during the

On-Line Holiday Shopping Soars at AOL Reuers

DULLES, Virginia — America
Online Inc. said Monday that its subrable sales from the 1997 holiday

shopping on-line during the 1998 million-plus shopping day.

boliday season as consumers increasingly shifted from mall-hopping to \$6.125 to close at \$149 ou the New York Stock Exchange

season, when it posted its first \$1

America Online, the world's largest Internet service provider, said about 1.25 million of its 15 from using "You Have Mail" and other popular terms describing electronic mail until AOL's trademark lawsuit is heard.

holiday season.

AOL said the average shopper. U.S. District Judge Claude Hilton hought two items a week on-line in Alexandria, Virginia, rebuffed during last year's holiday shopping. AOL's arguments that the rights to season, which ran from the last the phrase "You Have Mail" and the weekend in November to Dec. 27. terms "IM" and "Buddy List" were On the heaviest shopping day of clearly owned by AOL, which uses the season, Dec. 17, AOL's on-line them in its Internet e-mail services.

High Low Lowest Steel Ophis

### NYSE Faces Flood of Complaints Over Year-End Trading Oddities.

NEW YORK — The New York Stock Exchange, inundated with orders at the close of trading on New Year's Eve, has drawn criticism from big investors on several points. Among the complaints:

 America Online Inc. soared more than 10 percent at its close, costing bayers an extra \$254.6 million. Chase Manhattan Corp. slumped 4 percent in its last trade to a price some money managers said was artificially low.

 Amoco Corp.'s trading specialist, JJC Securities, in-correctly reported that buy orders outnumbered sell orders instead of the other way around.

"The NYSE will continually tell you their goal is to provide an orderly market," said Michael Cormack, manager for equity trading at American Century Investment Management, a mutual-fund company that oversees \$79 billion in assets in Kansas City, Missouri. "AOL gapped 15 points. That's a fair and orderly market? I don't think so."

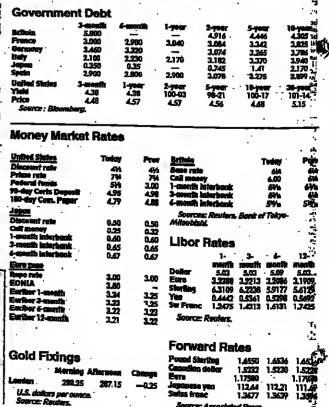
NYSE officials said its specialists were coping as well as they could with an unprecedented volume of index fund trading at the close Thursday.

Last week, the Big Board's chairman, Richard Grasso, sad

the exchange was considering a requirement that so-called limit-on-close orders, which specify the price at which an investor is willing to buy or sell, be entered electronically. That would ease the burden on specialists so "you don't have to deal with that kind of a blizzard of paper, which can create the opportunity for an error," Mr. Grasso said. The NYSE declined to comment further. declined to comment further.

The Big Board did face more than the usual challenges on Thursday, the last trading day of 1998. Sixteen companies were added to or deleted from Standard & Poor's Corp. market benchmarks, such as the S&P 500 Index, at the close of trading. Thursday may have been the busiest day ever for implementing S&P index changes, said David Blitzer, chairman of S&P's index committee.

#### INTEREST RATES



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Jul 99 105,75 104,50 105,70 -1,35 2,152 Est, poles: 5,987; Prev, poles: 3,210 Prev, open int.: 499,071 off 925 **EURODOLLARS (CHER**) -0.70 · 2 -0.90 70.402 -0.90 21.736 -0.80 15.645 -0.80 6.814

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By Alan Cowell New York Times Service

LONDON - Imperial Chemical Industries PLC on Monday acknowledged the collapse of a \$1 billion agreement to sell its Tioxide Group Ltd. business to Du Pont Co. and NI Industries Inc., renewing analysts' concerns over the British company's ability to hammer away a mountain of debt.

Du Pont and NL Industries pulled out of the deal because of undisclosed conditions set by the U.S. Federal Trade Commission. Under the deal, Du Pont, based in Wilmington, Delaware, would have acquired ICI's Tioxide business outside North America, and Houstonbased NL would have taken the North American part.

Tioxide is a powdery white pigment used in the manufacture of paints and plastics.

The planned disposals by ICI were part of a strategic drive by Europe's third-largest chemical maker to move away from bulk chemicals. Its chairman, Sir Ronald Hempel, said the company's "transition strategy" remained unchanged, although he was disappointed" that ICI had not been

able to complete the transactions. The Tioxide sales were seen by analysts as a key step in reducing debt estimated late last year at £4.4 billion (\$7.32 billion). Much of the debt comes from ICI's \$8 billion takeover of Unilever's specialty-

chemicals division in 1997. After the collapse of the deal, ICI also announced plans to take a charge of £120 million and cut 1,000 jobs in its decorative-paints, industrial-specialty and halochemicals businesses - measures designed to save about \$115 million a year by 2001. But the moves left the markets unimpressed, confirming ICI's status as Britain's owest-performing blue-chip investment of recent months.

The company's shares closed at 492 pence, down 29.

The collapse was "quite a major analyst at Credit Lyonnais Securities, because analysis had been ex- investors to buy st pecting a sharp reduction in debt privately held compan from the sale of assets.

Monday, Jan. 4

Daily prices in local currencies

WORLD STOCK MARKETS

### Russia's Options: Muddle Through or Collapse

By Michael R. Gordon New York Times Service

MOSCOW — President Boris Yeltsin left his sickbed to deliver a surprisingly bullish year-end verdict on the Russian economy. Russia is on the up," he declared.

But Mr. Yeltsin may be the only optimist on that score. From international economists to the Kremlin's own specialists, the prognosis is decidedly grim.

corner this year. It is whether it weakening economy or whether the situation will tumble precipitously out of control.

This is not just an economic matter. Given its vast store of nuclear material and often poisonous politics, Russia's struggle to establish a stable, pro-market system has

powerful implications for the West. The muddle-firrough school argues that Prime Minister Yevgeni Primakov and his unlikely coalition of Communists and social democrats are far more realistic than their po-

lemics would suggest. True, adherents say, coalition members have lauded the idea of state intervention in the economy and mocked International Monetary Fund specialists. But the thinking goes that the government team will try to limit the printing of new rubles, contain public spending and make just enough attempts at market reform to pry a few billion dollars from the Fund and the World

The movement toward a market economy will continue, these analysts maintain, but at a slow pace. And Russia will be spared yet another debilitating government shake-up like the ones last year that resulted in the ouster of former Prime Minister Sergei Kiriyenko and Anatoli Chubais, one of the nation's most prominent economic reformers.

The muddle-through theorists even have a name for this policy: They call it the 'Russification of reform.

The darker view foresees hyperinflation, a deepening recession and mounting confusion compounded by plunging prices of oil and other among the top government ranks, as financial natural resources that Russia exports. problems overwhelm Mr. Primakov's untested and ideologically incongruous team.

The fate of the Russian economy will depend mightily on the government's ability to make unpopular but necessary decisions about the economy and to make them stick. The failure of the IMF, the U.S. Treasury, the news media and most Russia specialists to foresee the current NEWS

The chief question is not economic crisis should chasten anyone bold ANALYSIS

whether Russia will turn the enough to hazard a prediction.

It is sobering, however, to see what a "good

It is sobering to realize what would amount to a 'good year' for Russia.

1998, and Russia will be fortunate if the decline is no more than 4 percent or 5 percent this year. The IMF projects that economic output will shrink 8.3 percent, and some analysts say the contraction could be as much as 15 percent.

Inflation, the government hopes, will hover at 30 percent in 1999; the IMF is predicting 56 percent, and others say it could be more. The government says the dollar will be worth

21.5 rubles this year, more or less the exchange rate of late December. But before the currency collapsed in August, a dollar bought only 6 rubles, and few maintain that the ruble will not be devalued further

But with a little luck, and some food and other aid from the West, Russia may suffer only isolated pockets of hunger, assuming the assistance reaches those who need it and is not stolen.

The economic crisis gathered force when foreign and domestic investors began to lose confidence in emerging markets because of the economic turmoil in Asia. That was a huge problem for Russia because it had financed much of its debt through the sale of government running the printing presses at full steam.

The crisis hit average Russians hard. Real, or inflation-adjusted, incomes dropped 15.6 percent last year, according to government statistics. The Kremlin's sanguine view is that real incomes will drop 7.5 percent this year and then

rise in 2000, a presidential election year. But there has not been any sustained period of economic growth since the Soviet Union collapsed in 1991. As the government tells it, growth is always just around the corner.

Russians appear to have become accustomed will find some way to middle through despite a weakening economy or whether the situation gross domestic product fell almost 6 percent in economy even as they have become disillueconomy even as they have become disillu-sioned with Russia's corrupt version of market reform. Russia may not be moving boldly to carry out economic changes, but at

least it has not been moving backward. The financial clite has not been dislodged by the economic crisis. The so-called oligarchs who dominate the energy, banking, ural-resources and media industries are mostly still in place, though they are not quite as

swaggering as they used to be.

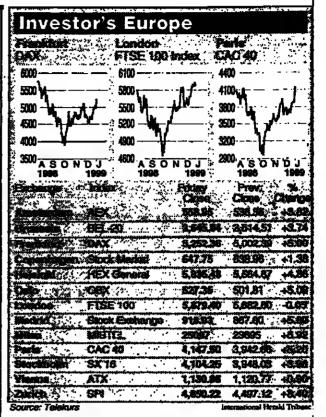
Key factors to watch this year will include Mr.

Yeltsin's faltering health, which could open the door to early elections and a change of economic policy. Much will also depend on whether the Primakov team has the will to tackle fiscal problems. Mr. Primakov has successfully pressed Parliament to pass important legislation encour-

aging foreign investment in the oil industry.

But the list of unaccomplished changes is long. It includes a new tax code, laws that would allow farmers to buy and sell land, and the overhaul of the battered banking system.

Putting the nation's fiscal house in order is also essential. After defaulting on its domestic debt, the Kremlin can no longer finance its deficit by selling Treasury bills. Printing money is not the answer. The money supply was increased 20 percent after the ruble and debt crisis in August, but the government understands that it is flirting with hyperinflation if it covers the deficit by



#### Very briefly:

 Bayerische Motoren Werke AG of Germany plans to ask the British government to subsidize the modernization of a factory to help make profitable its British unit, Rover Group. The factory, in Longbridge, England, would produce new Rover 200 and 400 models.

 PSA Peugeot Citroen SA of France aims to use a common platform to make 75 percent of Peugeot and Citroen cars within four years, a move aimed at reducing costs.

Sonera Oy fired Pekka Vennamo, 55, as chief executive after he sold shares in Finland's biggest telephone company without disclosing the sale to the government, which controls the company. Matti Aura, the minister of transportation and communications, said he also would resign because he was in charge of the \$1.4 billion initial public offering.

• Volkswagen AG's 1998 unit sales rose 11 percent amid strong demand for the New Beetle and as robust economies in Europe and the United States lifted sales. VW sold more than 4.7 million vehicles last year, increasing its global market share to 11.4 percent from 10.4 percent a year ago.

•French new-car registrations soared 13.5 percent in 1998, to 1.94 million vehicles from 1.71 million the previous year, the French automobile manufacturers' association said.

 Dresdner Bank AG put shareholdings valued at 12.8 billion euros (\$15.1 billion) into partnerships, sheltering the assets from a government clampdown on tax loopholes this year. TIRS sold two of its London properties to British Land.

### Kirch Group to Realign Itself in Move to Ease Investment

ation that would make

Kirch said in Nover

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MUNICH - Kirch Group, Ger- holding company, to he known as other investments. many's second-largest media com- PayCo, at the start of this year. The The reorganization comes as possible for the company to evenpany, said Monday it would divide announcement Monday expanded on Kirch, owned by Leo Kirch, con-tually sell shares in TaurusFilm or its operations into three holding that reorganization, grouping Kirch's times talks with Rupert Murdoch's other units, Kirch said. The comblow," said Jeremy Chantry, an companies as part of a reorganiz- film production, licensing and free- News Corp., Italy's Mediaset SpA. pany, which has debts estimated by

pool its pay-television interests into a lisher Axel Springer Verlag AG and debt-laden German company

The new structure would make it

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The Buenos Aires stock market was closed Friday for the New Year holiday.

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Monday's 4 P.M. Close
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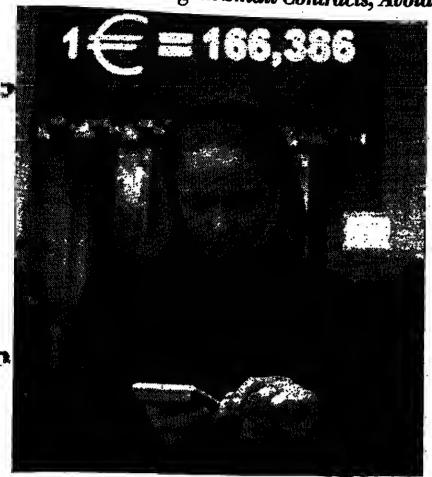
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## A Few Surprises in the Euro's Debut

Traders, 'Dabbling' in Small Contracts, Avoided Risking Major Bets



A girl checking the latest euro exchange rate at the Madrid Stock Exchange on Monday as dealers started trading the new currency.

### DEBUT: The Jury Is Out on New Currency

sure to compensate for missing growth through monetary policy. It urged governments to act to avoid the possibility.

Bot the potential for these problems is

intensified because Germany under its

Social Democratic chancellor, Gerhard

Schroeder, and Finance Minister Oskar

Lafontaine no looger seeks to play ideo-

logical defender of the EMU rules that

Democratic predecessor government.

a developing left-wing emphasis sought

hament

by the government as it prepares for

More than elsewhere in Europe, the

because they will be regarded as a run-up

for what is expected to be Mr. Jospin's presidential candidacy. The Socialist

Party will be strongly challenged from its left and would be unlikely to make

that would suggest it is abandoning its

significant because they would not only spur job creation but, in tougher times,

help individual governments adapt to shocks, particularly those called asym-

metrical, or confined to a single country

magnitude that it said, "Many may

question whether EMU was worth the

effort" if it isn't the vehicle for new

No one can foresee or guarantee them,

Since a euro-zone member country

can no longer cut its own interest rates or

devalue its currency, it is left with limited

borrowing possibilities in line with the

stability pact's debt and deficit strictures.

Whether the problem is a localized re-

cession or seriously diminished growth

overall, member countries willing to

linked to Mr. Kohl's finance minister,

hold to the euro's rules would have to

labor market policies.

Continued from Page 1

making job markets more supple and removing the kinds of labor market proections that Europe's left-of-center has ways beld as creed. The OECD has pointed out the problem, saying that if these market rigidities remain — oeither the IMF or the OECD report adequate indications of change — the new bank could quickly become a focus for pres-

#### **NOTEBOOK**

SLOW EXTINCTION: Trading in national currencies replaced by the euro prime minister, sought to insert the idea continued Monday, but trade was min-

terms for customers, based on the rates cellor Helmut Kohl's associates. into the euro.

"If a customer asks us for a dollar/ mark quote, we can provide that, but in interbank trading it does not exist any Schroeder as short on initiatives that to educate them." longer," said Neil Kimberley, manager on the foreign exchange desk at Bank of ket or substantially lower its taxes. Tokyo-Mitsubishi in London. . . .

was done among those settling forward. cootracts due after Dec. 31. (Reuters)

The second secon

EURIBOR VS. LIBOR: Marketwatchers in Frankfurt predicted Monday that the Continental banks' benchmark interest rate for the euro, called the Euribor, will gain dominance over London's rival euro Libor rate.

The two competing interest rates were established Wednesday, setting the stage for the latest battle in a long war between London and Continental Europe for financial market supremacy.

Unbiased opinions on the benchmarks' respective prospects are hard to find in any new concessions in economic policy Europe; Cootinental banks are sponsor-ing Euribor, and the British Bankers' Association is backing the euro Libor.

But several observers said this was one battle the euro-zone banks would likely win, driven by their determination that the main euro benchmark rate be set inside the euro area, not in London.

"One should not underestimate the political will to make it a success," said a broker at a U.S. investment bank in Frankfurt. Euribor also benefited from greater market depth as it was derived from quotes from a larger panel of

banks, he said. Euribor is based on rates supplied by 57 banks, mainly based in the euro zone, while euro Libor is based on rates from 16 international banks in London.

The Euribor rate was fixed at 3.234 percent Monday and euro Libor at (Reuters) 3.22125 percent.

PIE-IN-THE-EYE DISSENT: The euro was not the only thing launched Monday at the Amsterdam Stock Exchange. Protesters hurled two pies, scoring hits on the Dutch finance minister.

One protester struck Gerrit Zahn a political lineup, there could be great ensuing blow with the first pie, spilling glancing blow with the first pie, spilling what appeared to be custard down his dark suit. As Mr. Zalm brushed off the mess, another protester pushed a second

pie into his face. A furious-looking Zalm was led from the protest by his aides while security staff detained the protesters, who chanted slogans against the new European currency.

SALTING AWAY RESERVES: The European Central Bank set the minimum banks taking part in the inauguration of the single currency at 100 billion euros. In these circumstances, the villain for

(\$118.26 billion) through Feb. 23. The reserves figure applies to the combined banking system of the 11 curo
Theo Waigel, and widely associated the level of liquidity available in do-

that helps the central bank monitor lending and fine-tune the amount of money ing and fine-tune the amount of money in the money market.

(Bloomberg)

If the stability pact goes, the Euro

would remain a unified but politicized the recent peak spread of 2.25 points.

"While equity markets are roaring ahead, credit markets are roaring ahead, credit markets." mestic money markets.

By Mitchell Martin

NEW YORK - There were a few surprises as American currency traders began dealing in the euro on Monday. In the trading room at American Ex-press Bank Ltd., the chief dealer, Matthew Porio, said he was surprised not to

see any quotes for the dollar in Deutsche

marks on his dealing screen. "I thought there still might be," he said, reflecting a sentiment shared by many people around the world looking for particular exchange rates. The bulk of American Express's currency-trading business is for corporations and banks, many of whom are still thinking in terms of marks and francs.

But trading among the earo-zone cur-rencies was officially frozen last week by the European Central Bank, and foreign-exchange dealers are unwilling to quote prices for what are being called the legacy currencies, fearing that specu-lators would exploit movements in the

Trading was also unexpectedly in small lots, Mr. Porio said. Some of this was attributable to a seasonal slowdown — corporations last week closed out their books on 1998 — but it was also caused by uncertainty about the euro's direction against the dollar.

"There are no real axes to grind," he adding, "People are just dab-

Despite the surprises, the euro traded smoothly and strongly in New York. It began the day by rising from its Thursday reference price of \$1.17 and rose to nearly \$1.19, but it was undermined by an early rally on Wall Street, which bolstered demand for the dollar. The euro was quoted at about \$1.1829 in late

European trading.
At State Street Corp. in Boston, Mi-chael Kahn, a vice president in the global treasury division, concurred with Mr. Porio, saying it was difficult "to understand whether the euro would be strong or weak." Supporting the currency are "pretty robust" economic growth in Europe and the fact that the euro bloc is a net lender to the rest of the

were virtually created by the Christian Bot against it are "issues surrounding During the development of the EMU, the politicization of the whole process Germany took the role of key advocate that worries some investors," he said, of the tight-money policies character-izing the Maastricht treaty and the stareferring to the question of the European Central Bank's independence.

bility pact. When France, shortly after the Socialist Lionel Jospin became With the questions about the euro's direction, there was hardly any forward trading, dealers said. Forward contracts of an "economic government" of fiare useful to such market participants as Although interbank trade in the national currencies has officially disappeared, banks will still quote in national terms for customers, based on the rates

While: currency dealers seemed to. anything, their first months in office control, clients were another matter; other, for example, Deutsche marks to showed Mr. Lafontaine as intervention. There is a lot of confusion on the client. French francs ist in relation to the Bundesbank and Mr. side," Mr. Kahn said, "but it is our task

At the American Express trading would deregulate the German job marroom, which overlooks the mouth of the In France, after its absence for months Hudson River from the 23d floor of the Most trading in national currencies from the political debate, the phrase world Financial Center, several phone calls were fielded by executives who potracts due after Dec. 31. (Reuters)

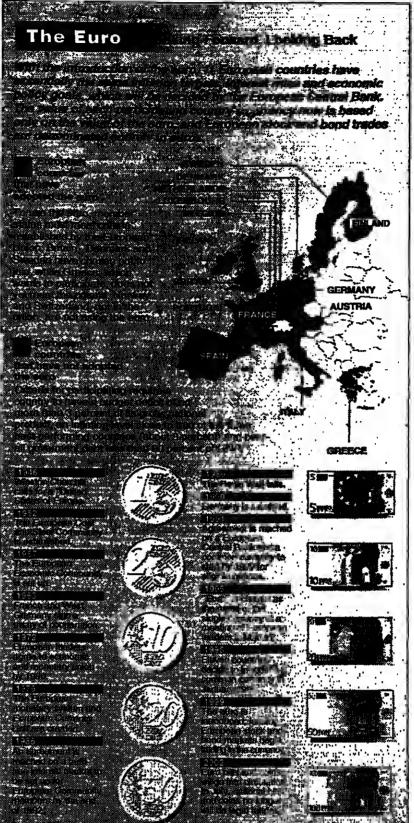
again last week, attributed to Finance patiently tried to explain to clients that minister Dominique Strauss-Kahn. Minister Dominique Strauss-Kahn. separate currer Whatever its practical effect, it was part ceased to exist.

Taking a break from conversations with clients, Michael McGuinness, seelections in June for the European Par- nior director of Treasury sales, noted some other confusing aspects. For one thing, even though the spreads were surelections will be significant in France prisingly tight, there is more money at stake on each trade than in the past because each hundredth-of-a-cent point of a 5 million curo contract is worth \$500. In Deutsche mark trading, each point was just a hundredth of a pfennig, or about \$300. So trading errors are magnified while good calls carry greater traditional constituents to more flexible rewards than in the past.

The past is another issue. "There is no In the view of the IMF, these more history for the euro," Mr. McGuinness flexible labor markets are particularly said, pointing to historical line graphs of the dollar against the mark. Although there are historical prices for the European currency unit, the forerunner of the euro, he said it had been lightly traded and not representative of the entire econ-

Yet the organization hardly offered a The Ecu never existed as a physical positive evaluation of how far the euro currency, being restricted to bookkeepsovernments were willing to go in poshing for such items as taxes and bonds. governments were willing to go in pashing their constituencies toward more flexibility, saying, "Policies in place are The euro is to become a real currency in 2002, but Liliana Nealon, executive direform is still strong."

The issue, for the IMF, was of such notes in the form of travelers checks. rector of global trading, noted that American Express was already issuing



### CONSUMER: Paying in Euros Begins

Continued from Page 1

For travelers from outside the region, the switch to the new currency is likely to go unnoticed. Dollars will be converted to euros but paid out in national currencies at the official euro conversion rate, minus a fee for handling the transaction.

The European Commission, the EU's executive body, has focused most of its efforts in promoting the cure oo the financial markets, which account for the bulk of monetary movements. Getting the markets right was of primordial importance and has taken precedence over promoting the euro among the public.

The commission and member govcomments will use the next three years, until euro banknotes and coins replace national currencies, to educate the public. The commission has even set up a

It could be an ophill task. The commission estimated that between a quarter new currency is called.

Governments have left it largely to banks and other financial organizations to bank would cut its key short-term rate by inform their customers, but they plan a quarter point, to 2.75 percent, during massive publicity campaigns before the introduction of euro coins and notes. In several countries, the efforts have passed through the schools because officials argue that children are less attached to familiar financial benchmarks, readier to accept new ideas and best-placed to inform their parents about the oew money.

During the transition period, no one is obliged to pay or be paid in euros. But many retailers, such as Leclerc of France, a longtime supporter of the single currency, have begun listing prices both in national currency and in euros. Michel-Edouard Leclerc, head of psycho-sociology panel to advise it on how to wean people away from the familiar coins in their pocket and get them to accept what for most is still an ab-Leclerc, said the single currency would enable his stores to offer lower prices suppliers in Europe.

### **EURO:**

New Currency Surges Continued from Page 1

indexes rising by nearly 4 percent in Amsterdam, more than 5 percent in Paris and Frankfurt and more than 6 percent in Madrid and Milan.

In stark contrast to the Continectal enthusiasm, London's FT-SE 100 index was virtually unchanged. On Wall Street, the Dow Jones industrial average rose 2.84 points to close at 9,184.27.

The euro's gains reflected a continued move by pension funds, insurance companies and other institutional investors to focus their money on the big pan-European blue-chip companies, which stand to benefit most from the creation of a euro-zone economy of 290 million consumers, said J. Paul Horne, European equity analyst at Salomon

Smith Barney.
"You have to get into the largest capitalization, top-quality stocks," he

Bond prices also soared, pushing yields down to record lows. The yield on Germany's benchmark 10-year bond fell 0.10 perceotage point to a record low of

3.77 percent. Some dealers were surprised that the euro did not post greater gains, giveo the rally in bond and equity markets, and there was talk in the market of central bank intervencion, but ECB officials

played down the talk as "rumors. The euro did weaken to 132.10 yen after trading above 133 yen in Tokyo earlier, a move that helped trigger a 3

percent drop in Japanese stocks.

Concerned about the curo's impact on Japan, Primc Minister Keizo Ohuchi was expected to endorse French and German calls for a tripolar monetary system when he visits Europe this week. Japanese media reported on Monday.

Mr. Obuchi was expected to suggest a loose exchange-rate grid that minimizes volatility among the yen, the euro and the dollar. The Uoited States, supported by many European central bankers, has rejected such proposals. Treasury Secretary Robert Rubin declined to comment oo the euro's gains on Monday, saying only that the United States should focus oo maintaining solid policies at home.

At the momeot, many economic fundameotals appear to favor a strooger euro, in particular trade flows. The world is awash in dollars because of a burgeoning U.S. current account deficit, geoming U.S. current account dericit, which many analysts expect to exceed \$250 billion, or 3 percent of gross domestic product, this year. In cootrast, economists at J.P. Morgan & Co. predict that the 11 euro countries will run a current account surplus of 1.5 perceot of GDP in 1999.

Mr. O'Neill of Goldman, Sachs predicted that those flows would bely boost the euro to \$1.29 by the end of this year. But other analysts said the European properly in their own money and that a surge in the euro by cutting interest rates, high number do not even know what the particularly if evidence of economic weakness cootinues to mount. Mr. Walter of Deutsche Bank predicted that the

> the first quarter. Despite the magnitude of Monday's market movements, the actual level of trading activity was subdued, particularly in the \$1.5-trillioo-a-day foreign

> exchange market. Guy Whittaker, head of foreign exchange trading in the London dealingroom of Citigroup, the world's largest currency trader, said that most participants were making sure their computer and settlement systems had been properly overhauled for the euro during the weekend, while traders were adjusting to the dollar's worth against the euro rather

bers off the top of your head."

#### Renault Chief Sees No Quick Decline in Prices of Automobiles

PARIS - The euro will add to pressures driving down car prices in Europe, but the decline in prices in France will slow, Louis Schweitzer, chairman of Renault, said in a newspaper interview published Monday. The currency will highlight the disparities in car prices across the Con-

differences "Each state must ensure certain

complex social and economic balances tinent, now around 12 percent, he told

and conduct fiscal policies in light of national needs," Mr. Schweitzer said.

Bot he added that naoooal tax "Prices have come down in France policies accounted for a big part of the more than anywhere else, so that the decline should slow down oow." he

But the trend toward lower car prices should continue in Europe because the single market will heighten British and German auto prices are competition and because consumers now significantly higher than French are increasingly tempted to spend car prices, once the highest in Europe, money on other things than cars, he said.

### OUTLOOK: Forecasters See U.S. Slowing in '99 but Probably Evading a Raft of Dangers

Continued from Page 11

just as there is no certainty the global economic environment for the euro's from 3.5 percent in 1997 and 1.75 per-start stays relatively tranquil. The reality cent in 1998.

remains that, with Europe's present Asia's economies, which absorb onethird of American exports, are likely to keep shrinking, though not as rapidly as scrap the stability pact if growth within last year - assuming that Japan will hit the zone declines markedly at a point in bottom.

South America, which takes about 10 percent of U.S. exports, will merely stagnate as long as Brazil does not collapse; growth for the continent is expected to be around I percent. Mexico, as big a trading partner as South America and struggling with the effects of plunging oil prices, is already slowing. As its monetary union begins, Europe will be growing about 2 percent, the

compensate for their rising deficits with cent last year. In these circumstances, the villain for Some of the biggest risks continue to be financial ones. The unexpectedly ag-Europe's governments of the left would be the stability pact itself — directly gressive easing of credit by the Federal Reserve and other central banks has reduced but not eliminated the global liwith unemployment in Europe and attacked by Mr. Jospin during his election campaign in 1997 as a German hege-

forecasts say, down from nearly 3 per-

quidity squeeze.

Even now, AAA-rated corporate bonds have yields more than two percentage points higher than those of U.S.

slow growth because the marginal borrower is not able to get credit."

months, is also likely to retard growth. Per-share operating profits of the companies in the Standard & Poor's 500-stock index are down 3 percent from a year ago. Total corporate profits reported by the Commerce Department are also lower than a year ago.

Profit margins are beginning to crode, and there is no relief in sight. The prob-lem is that the tight U.S. labor market unemployment is now 4.4 percent, and job growth remains solid — has been causing wage growth to outstrip even the robust productivity gains of late. Thus, labor costs per unit of output have been rising inexorably.

With lots of excess capacity at home

and abroad, a result of the 1990s investment boom, most companies are finding it impossible to pass along higher costs to customers. "There's no pricing power out there in

corporate America right now," Mr.

Steinberg said. Finally, the stock market is not likely

A growing pinch on U.S. corporate gains that have allowed their sp profits, aheady under way in the last six rise faster than their incomes.

fect individual parts of the economy in various ways. The trade deficit will contime to widen, but, barring another international crisis like last summer's, the the Conference Board, one of the most deterioration is not likely to be as sharp as it was in the past year, when it consumers would surprise forecasters trimmed an estimated 1.5 percentage once more. He said the rash of layoff points from the growth rate. This is in announcements by large companies last part because slower growth in business autumn had led to an exaggerated sense and in consumer spending will mean less of weakness in the labor market. of a surge in imports.

Capital spending, booming in the first gish growth but not outright cuts in spending in the 12 months ahead.

One factor that may cause spending to keep rising is that capital is a bargain . right now. "I can buy more," said Ken Matheny, an economist at Macroeconomic Advisers in St. Louis.

The U.S. government has not contributed much to spending in the past few years, and 1999 is expected to be oo

the recent peak spread of 2.25 points.

to give the economy much extra kick as different.

Consumers, who have been spending bousing starts have been outpacing famalead, credit markets are still described by stock prices no longer look as out-

pressed," said Bruce Steinberg, chief rageously high as they did a year ago, behave in a more restrained manner. economist at Merrill Lynch. "That will somewhat lowering the risk of a plunge. They have been on a tear, with car sales few forecasters expect American nouse-holds to keep reaping the huge capital gains that have allowed their spending to gains that have allowed their spending to consumer spending to grow about 2.5 percent this year, about half of last year's pace and roughly in line with income growth. Job growth is apt to slow as the profit picture continues to darken.

But Ken Goldstein, an economist at bullish forecasting groups last year, said

Most job cuts since 1991 have been made through attrition, he said, and firsthalf of last year, has already flattened. time claims for unemployment insur-Many economists are predicting slug- ance were no higher in December than they were a year earlier.

The red-hot housing market is also set to cool. It is still in great shape, with construction of single-family homes running at its most rapid pace in 20 years. But few people expect mortgage rates, already the lowest in a generation, to keep failing, so there are likely to be fewer families refinancing their mortgages and fewer cashing in stock-market

### After Viagra, Investors Seek the Next Big Drug

By David J. Morrow New York Times Service

NEW YORK - The successful inproduction last year of Pfizer Inc.'s Viagra, the impotence pill, delivered buge returns to investors who bought shares in the company. The windfall — Pfizer's stock zoomed 69 percent for the year — has encouraged investors to study the current pipelines of top pharmaceutical companies, hoping to spot

the next boom drug. They, as well as analysts, are betting that at least one of the medications scheduled for introduction this year will also produce impressive gains.

Predicting the next blockbuster drug is never easy, because pharmaceutical executives are loath to forecast sales of their wares. But some compounds clearly have a better chance than others of achieving \$1 billion in annual sales, the benchmark for a blockbuster drug. Analysts agree that top-selling drugs share two traits: They have to be pre-

#### **Very briefly:**

16 The Chicago Board Options Exschange started to list options on an lindex of the top 10 dividend-yielding stocks in the Dow Jones industrial average. The 10 stocks are to be selected and rebalanced as an equal-weighted andex annually.

 Greek bond prices soared more than three points after Athens abolished a 10 spercent tax on interest payments on govsernment bonds held by nonresidents.

Equitex Inc. notified the U.S. Securities and Exchange Commission it was withdrawing its status as a business development company and was now a holding company in the financial-ser-ryices industry. The company changed the nature of its business through a majority vote of its stockholders.

European oil stocks are likely to be among the Continent's worst performers well into 1999 as oil prices, now at 12-year lows, gut earnings and force companies to slash costs, analysts and Bloomberg, Reuters

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scribed by more than one type of doctor, ideally a general practitioner and a specialist, and they must treat a condition that is

sorely lacking in new remedies. Not only was Viagra pre-scribed by several types of doctors, including urologists and psychiatrists, but it was offered in pill form, making it a popular alternative to the invasive shots

of other impotence medications. That formula should work this year as well, but with one major twist. Many of the bot new remedies last year, notably Viagra. and Detrol, a Pharmacia & Upjohn Inc. pill for incontinence. were so-called lifestyle drugs, designed to relieve afflictions that damage self-esteem. The top-selling new medications this year are expected to treat several chronic or life-threatening con-ditions, including diabetes and organ-transplant rejection.

The two most anticipated introductions this year are Monsanto Co.'s Celebrex, which Pfizer is helping to market, and Vioxx by Merck & Co. Both drugs will treat the pain and inflammation of arthritis and are expected to be free of the gastrointestinal side effects of other medications.

This market is projected to be enormous, rivaling the \$7.4 billion in anti-depressant sales. About 13,000 Americans take nonsteroidal anti-inflammatory drugs each year, according to Merck. But these drugs are not always safe; according to arthritis specialists at Stanford University, they cause 20,000 hos-pitalizations and 2,600 deaths each year.

The first product that comes on the market usually gets the largest market share - in this case, that will most likely be Celebrex - but both drugs are expected to record strong sales. Analysts predict that Celebrex will have \$3 billion in annual sales and Vioxx \$2 billion by 2002. "The peak sales of these drugs may not happen quickly," said Neil Sweig, a pharmacenticals analyst with Southeast Research Partners. "It could take four to five years after the drugs are introduced in the United States."

#### **Best Drug Prospects This Year**

Pharmaceutical companies need several top-selling drugs to keep pace with the industry'e 16 percent increase in annual earnings. These drugs, set to be released this year, could significantly increase revenues for their companies.

MEDICAL CONDITION	DRUG .	COMPANY	SALES POTENTIAL IN 2002 in millions
Arthritis	Celebrex	Monsanto/Pfizer	\$3,000
Arthritis	Vioxx	Merck	2,000
Ulcer	Aciphex	Johnson & Johnson	800
Diabetes	Avandla	SmithKline Beecham	755
Transplant rejection	Rapamune	American Home Products	750
Lyme disease vaccine	Lymertx	SmithKine Beecham	505
Male erectile dysfunction	Vasomax	Schering-Plough/Zonagen	500
Migraine	Relpax	Pfizer	450
Antibiotic	Tequin	Bristol-Myers Squibb	450
HIV infection	Ziagen	Glaxo Wellcome	450
Ulcer	Protonix	American Home Products	400
Source: Cowen & Company			

As a supplement to the search for blockbusters, and in an effort to maintain annual earnings gains of 16 percent or more, many pharmaceutical compa-nies are introducing drugs for markets that have been profitable.

Traditionally, the industry's cash machines are ulcer drugs, which can easily bring in annual sales of \$1.5 billion or

American Home Products Corp., is expected to roll out its new ulcer drug, Protonix, while Johnson & Johnson is readying Aciphex. Even though there are already several ulcer drugs, includ-ing Astra AB's Prilosec, with \$2.3 billion in annual sales, both new entrants are expected to be successful. Analysts say Protonix will bring in an annual \$400 million in 2002, when Aciphex is expected to have sales of \$800 million.

The market for diabetes drugs, which has long been competitive, should be vicious by the end of the year. Smith-Kline Beecham PLC is expected to release Avandia, a drug that may siphon sales from the three leading medications, Glucophage by Bristol-Myers Squibb Co., Glucotrol XI. by Pfizer and Rezulin by Warner-Lambert Co.

Analysts say Avandia will have annual sales of \$755 million, more if patients decide to switch from the leading

Ziagen to treat HIV infection, Analysts predict that drug will bring in \$450 million in annual sales.

introduce Rapamune for organ-trans-

First among the lifestyle drugs ex-pected this year, which will address everything from age spots to facial hair on women, is Vasomax. Schering-Plough Corp. and Zonagen, a tiny Texas biotechnology company, will be mar-keting the competitor to Viagra. But unlike the Pfizer product, which analysts predict will have \$1 billion in sales during its first year on the market, Vasomax is not expected to surpass

four years on the market. "We're really just beginning this phase of lifestyle drugs," said Viren Mehta of Mehta Partners, a New York

medications. Glazo Wellcome PLC will introduce

American Home Products is set to plant rejection, a use that should generate about \$750 million in sales.

\$500 million in annual sales over its first

biopharmaceutical investment research

.S.," she said.

### Accountants Near Goal Of World-Wide Language

By Melody Petersen New York Times Service

NEW YORK - Life would be simpler if all companies, whether in Thai-land, Tanzania or Tennessee, spoke the

same financial language. But each country now sets its own accounting rules, and what may look like a profit at a bank in Kuala Lumpur may be a loss at a bank in Kansas City with the same numbers but different

accounting rules. The International Accounting Standards Committee, a group of accountants and executives from around the world, has set out to change that. After more than two decades of work, the committee is ready to present a core set of 15 universal accounting standards.

This year, world securities regulators, including the Securities and Exchange Commission in the United States, will review the proposed rules and decide whether they are strong enough to recommend to all countries. These would not be the first international rules to be

devised, but the goal is to have one set that applies worldwide.

"This is the year," said James Cochrane, chief economist at the New York Stock Exchange. "Investors and analysts are crying out for a common language, a common set of accounting principles.

But a growing number of critics, many of them in America, say the global rules written by the London-based committee are weak and full of loopboles. The critics, including members of the Financial Accounting Standards Board in the United States, have also raised questions about the inner workings of the committee, which has been bolding its meetings in private and has some members with close ties to companies that would follow the rules.

In defense of the proposed interna-tional rules, Patricia McConnell, an analyst at Bear, Stearns & Co. and the International Accounting Standards Committee's vice chairman, said that they "look and smell" like the American rules. "They are far superior to most things you would get outside of the

Trevor Harris, a professor of account-

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ing at Columbia University and a consultant for Morgan Stanley Dean Witter, said that while U.S. accounting rules were more detailed, the broad differ-

ences between the American and the proposed global rules were small. In my mind, there are few differences that are significant from an investor's point of view," Mr. Harris said.

Sometimes the extra detail does not lead to more informative information." Many financial experts and executives are clamoring for a worldwide set of accounting rules. They contend that universal rules are necessary in a world where investors regularly struggle to compare companies that operate across several time zones and under very different governments.

Some countries, such as South Korea, Poland and Russia, now have few accounting rules or do not enforce the ones they have, leaving executives to decide on their own what investors should of should not know. And if those countries seem distant, especially from the Western Hemisphere, almost anyone now can use the Internet to invest in compa-nies in countries that lack well-enforced accounting rules.

Dozens of countries have already indopted existing international rules as an alternative to writing their own, and the World Bank, which provides leans to poor countries, recommends the existing standards as a condition of its loan agreements. But the aim of the new effort is full global standardization.

Global rules have widespread appeal in Europe, where II countries are using a single currency, the euro, but have not yet knitted together their accounting rules.

Many European countries now allow foreign companies wanting to sell stock on their exchanges to use the existing international rules rather than to conform to their own.

One of these is Britain, and many companies that would like to sell their stock on the American exchanges, where generally stricter rules apply, have gone to the London exchange instead. Mr. Cochrane said many companies now turned away from U.S. markets because they did not want to reconcile their financial statements to U.S. accounting rules as required by the SEC.

January 4, 1999

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ASIA/PACIFIC

## China to Try Selling Off Nonperforming Loans AMP Asserts

bad loans at its biggest banks, will introduce a pilot program to sell them at a discount, officials said Monday.

are discount, officials said Monday.

second-largest Chinese bank, will be the first to participate in a program that may be extended to all four of China's state banks, said ong Pin, deputy head of planning at the Industrial & Commercial Bank of China. Together with Bank of China and Agricultural Bank of China, the four account for about 64 percent of the country's total fi-

Bank," Mr. Tong said, confirming a now total as much as 2 trillion yuan report in the China Daily newspa
(\$241 billion), or about 25 percent per. "It may take one or two years to fest the system.

not be easy. Thailand and South after decades of government-dic-

China Construction Bank, the moreover, means investors may be less confident than in other Asian nations that they will get their

money back
"It's a much taller task in China," said Ivan Lee, head of credit research at Salomon Smith Barney Inc. in Hong Kong.

"Their legal system is much fur-ther behind."

nancial assets.

"At least during the trial period, it will be only the China Construction Bank," Mr. Tong said, confirming as not been paid for three months, of total loans. Some analysts say nonperforming loans may make up Getting rid of the bad loans will as much as 70 percent of the total

South Korea was able to sell \$470 ganization with a bond sale. million of debt and foreclosed property to a Texas-based private equity

firm at 35.6 cents on the dollar. Thailand was less successful. It state-owned banks sold just 8 percent of the loans it had offered, with a face value of more has tightened controls on risks to the

China needs "at least as much" organizing its own structure to cut any stake larger than 40 percent.

In the control GIO with organizing its own structure to cut any stake larger than 40 percent. Inks between provincial governments and central-bank branches.

China Daily quoted academics as in Angust, was bitterly fought by rill Lynch & Co. in Hong Kong. "Our estimates are from \$100 bil-lion to \$170 billion, and over \$450 Korea met with varying degrees of tated lending policies under China's billion if Japan is included."

appetite of many foreign investors would be sold off at a set discount or for sour loans in Asia.

China's primitive legal system, have to decide what to do with non-dustry, as a possible model for hanperforming loans that do not attract dling China's bad debts.

China may finance such an or-

vuan of special bonds to help recapitalize the country's four biggest In recent months, the central bank original aim of full ownership.

as tightened controls on risks to the "We've already counted accept-

than \$10.6 billion, then cut a deal financial system by closing down with a unit of Goldman, Sachs & Co. the country's second-biggest trust to sell one-third of the other loans at 21 cents on the dollar.

company, Guangdong International Trust & Investment Corp., and re-

saying that banks may find if difficult to hire independent profes-sional managers to handle the sale of nonperforming loans.

### BEUING — China, moving to clear up as much as \$240 billion of bad creating a strong to an at one of bad creating banks, will appeal to a strong to a s **Of Insurer**

SYDNEY - AMP Ltd., Aus tralia's biggest fund manager and Last year, China sold 270 billion life insurer, won control of GIO Australia Holdings Ltd. on Monday as its acrimonious takeover bid drew to a close, but it fell short of its

> ances in excess of 50 percent,' spokesman for AMP said shortly before the bid closed. AMP said it would effectively control GIO with

in August, was bitterly fought by GIO, which said it was too low. The two companies battled in the media through extensive television and newspaper advertising campaigns, as well as in the courts.

AMP offered to pay 5.35 dollars in cash for each GIO share or one AMP share for every four GIO shares. GIO, saying it was talking with other suitors, urged investors to await a

better offer, but none emerged. Although the bid has closed, audited figures on AMP's final shareholding will not be available until Tuesday.

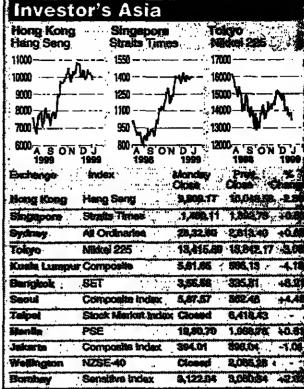
AMP said a flood of late acceptances had delivered it a controlling stake in GIO.

But David Mortimer, GIO's chairman, said AMP was far from victorious. "This can only be regarded as a

very disappointing result for AMP because they originally sought 100 percent of the company," he said. AMP wants GIO, the nation's fourth-largest insurer in terms of market value, to merge with its own unprofitable general-insurance business to help it compete with new international rivals. Without com-

plete ownership of GIO, that is going to be difficult. Shares in AMP rose 23.5 cents to 20.91 dollars, valuing GIO's shares

under the stock offer at 5.23. GIO fell 0.01 to close at 5.35. (Bloomberg, Reuters)



#### Very briefly:

• The U.S. Export-Import Bank joined a growing list of Philippine Airlines Inc.'s creditors that have rejected the airline's restructuring plan. The bank said the plan had failed to address a lack of confidence in the airline's current man-

• Thailand reportedly plans to combine the retail operations of state-owned Petroleum Anthority of Thailand with its refining unit, Thai Oil, and eventually float shares in the new

 South Korean carmakers said domestic sales plunged last year amid the country's recession: Hyundai Motor Co.'s sales fell 29 percent in 1998, to 880,066 vehicles; Daewoo Motor Co.'s sales fell 7.8 percent, to 893,295, and Kin Motors Corp.'s sales fell 33 percent, to 467,545.

· China International Trust & Investment Corp. is seeking a 22 percent stake, valued at about 360 million yuan (\$43.5 million), in China Securities Co., part of an effort to shore up its financial institutions after the recent collapse of Guangdong International Trust & Investment Corp.

• China's industrial and commercial tax revenue rose 13.3 percent in 1998, to 855.1 billion yuan, as the government cracked down on tax dodgers.

• Samsung Group plans to increase investment by one-third, in 4.5 trillioo woo (\$3.75 billion), this year.

AFP, Bloomberg, Reuters

### Amid Restructuring, Seoul Predicts a Surge in Investment

SEOUL — The government said billion this year, compared with a by the hope of an upgrading for the struction Co., the largest maker of country's battered sovereign forpower-generation equipment in the name of the struction country, will be sold by June, the country, will be sold by June, the buy South Korean assets.

of salable assets on the market was rebuild its currency reserves. The far from certain and that labor and foreign-exchange issues could pose serves led Seoul to accept a \$60 problems for foreign investors.

Thai companies were snapped up by

investors from abroad, the central

bank said Monday.

direct investment should exceed \$15 Monday it expected a 70 percent provisional total of \$8.85 billion for increase in foreign direct investment this year as restructuring of the investment plans filed with the government plan dustrial sector produced more opportunities for foreign companies to crease from 1997, the ministry said.

The new foreign investment, if it But analysts warned that a flood materializes, would help the country depletion of its foreign-exchange rebillion bailout led by the Interna-The Finance Ministry said foreign tional Monetary Fund in late 1997.

The remaining \$5.5 billion rep-

resented mainly multinational

companies buying control of Thai

vestment in Thailand reached a re- Bank PCL, Thai Farmers Bank PCL

cord \$7.6 billion in 1998, more than buble the amount in 1997, as ailing The remaining \$5.5

South Korean investors, cheered Korea Heavy Industries & Conbenchmark Seoul stock index by 25.11 points to 587.57. The government said foreign in-

vestment would accelerate as the 51 percent of Korea Heavy, which restructuring efforts of the big conglomerates, or chaebol, gained steam. Seoul has agreed to privatize 11 state-owned companies and their subsidiaries to generate funds. In the latest such privatization,

structuring the chaebol would result in 1998, 28 percent went to buy the weekly meeting of the council of in heavy layoffs, which could trigger strong resistance from unions. The Japanese were the biggest investors outside the banking sector, eign investment, as its recent

Foreigners Buy Record Total of Thai Assets BANGKOK - Foreign direct in- shares in banks such as Bangkok economic ministers.

accounting for 33 percent of total foreign direct investment outside the finance industry. Investors from Of the foreign direct investment tral bank said in a report presented at were the next-biggest investors.

strengthening, unaccompanied by significant improvement in eco-nomic fundamentals, could make manufacturers and retailers, the cen- the United States and Hong Kong local assets comparatively expen-(Reuters, AFP, Bloomberg)

government said Monday.

The process will begin with a pub-

lic auction in January for more than

owned by Korea Development Bank

The Korea Economic Daily

quoted an unidentified government

official as saying potential bidders included Hyundai Group, Samsung Group, General Electric Co. and

But analysts said progress in re-

The won could also hinder for-

and Korea Electric Power Corp.

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### WORLD ROUNDUP

#### NBA's No.1 Pick Heads for Bologna

WASKETBALL Michael Olo-wokandi, the No. 1 overall pick in the National Basketball Associ-ation draft, will play in Italy be-cause of the NBA lockout.

The center, who played at Pacific University, will arrive in Italy oo Tuesday and sign with Kinder Bologna, the European club champion, said Marco Angrisani, a spokesman for the team.

The deal includes a clause that would allow Olowokandi, who was drafted by the Los Angeles Clippers, to return to the NBA if the lockout ends before Fcb. 15. He was believed to be signing for \$3 million,

with \$1 million guaranteed.
"We're betting the NBA season won't start," Angrisani said. "Wc have reached a tentative agreement with Olowokandi's agent and we're just waiting for him to get here.

Vinny Del Negro of the San Antonio Spurs has joined TeamSystem Bologna in a deal reportedly worth up to \$900,000. (AP)

#### Boxer Jerry Quarry Dies

BOXUNG Jerry Quarry, 53, a hard-punching heavyweight who twice fought Muhammad Ali, died Sunday in Templeton, California, after being taken off life support. Quarry was hospitalized Dec. 28 with pneumonia and then suffered cardiac arrest.

Quarry earned \$2.1 million in purses as a contender in the 1960s and '70s, but lost it all through drug and alcohol use and three marriages. By age 38, he had been diagnosed with dementia and lived on social security checks.(AP)

#### Panthers Hire Seifert

FOOTBALL George Seifert re-turned to the NFL on Monday as coach of the Carolina Panthers, two years after leaving the San Francisco 49ers. Team sources said Seifert had a five-year cootract that will pay him an average of more than \$2.4 million annually. (AP)

#### Sweden Upsets Americans

TENNIS Sweden beat the secondseeded United States, 2-1, Monday in the Hopman Cup mixed team tournament in Perth, Australia.

Lindsay Davenport, the world No. 1, beat Asa Carlsson of Sweden, 6-2, 6-0, in the opening singles. Jonas Bjorkman beat Jan-Michael Gambill, 6-2, 6-4, and the Swedes then won the doubles, 7-6, 6-4.(AP)



for a shot in her singles match.

### Redeeming Himself, **Owens Rescues 49ers**

Catch With 3 Seconds Left Ousts Packers, 30-27

Owens's catch.

By Thomas George

SAN FRANCISCO — There were two Green Bay Packers behind him and two more in front of him, and by the time the pass play was over there were two more around him, all falling into a pile smack in the middle of the Green Bay end zone.

That made six, more than half of the Packers on the field, on the beels of Terrell Owens when the clock struck three seconds. Wheo time in 3-Com Park nearly stood still.

The 49ers beat the Packers, 30-27, here Sunday in a National Football Conference playoff game that will stand forever as one of the most memorable not only in 49ers' history but also in National Football League history.
"When the ball is thrown down the

middle like that in that situation, you never think it is going to be caught," said the Green Bay coach, Mike Holmgren. "Never."

The Packers' end Reggie White was desperately trying to sack Steve Young, the San Francisco quarterback.
"I couldn't see it," White said. "I

just heard it. I heard the roar. And he knew what had happened.

Just like all of the Packers did. "I saw a blur." said the Packers'

receiver Antonio Freeman, in shock on the Packers' sideline. "Stuff like that doesn't happen. It's going to be tough to It didn't seem real. Owens jumped

highest. Did you see it? Certainly, you heard it. The roar, The hlur. Time stood still. And then this San Francisco 49ers team that looked beaten ooe more time by Green Bay got op and wiped the dust away and rewrote history. And they won it oo Young-to-Owens,

a 25-yard touchdown pass, with 3 seconds left. Green Bay, only 1:53 earlier, had grahbed the lead on a Brett Favre to Antonio Freeman touchdowo pass of 15 yards that had given Green Bay a 27-23 lead. It looked like Green Bay had made it six consecutive victories over San Francisco, four straight in the playoffs. And then Young-to-Owens,

The 49ers move on now with a 13-4 record to play the Atlanta Falcons on Saturday. Green Bay's seasoo ended with an 11-6 record with an 11-6 record. "I have oever made a bigger catch in

my life, oever played in a bigger game and oever been more thankful to the Lord that I got a chance to redeem myself to my teammates," Owens said of his winning score, the most unlikely of plays that began with 8 seconds left.

"1 guess you can call it The Re-demption," Owens. 25, said, smiling, flashing braces, a 6-foot-3-inch, 217pound receiver who is in only his third

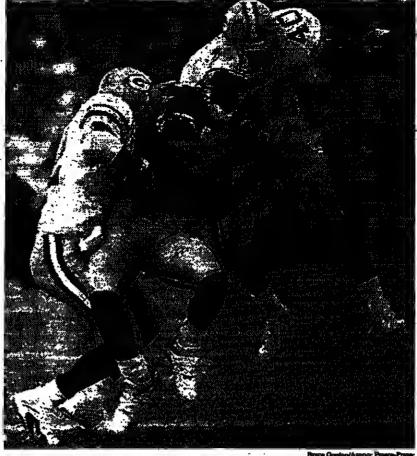
Owens dropped four passes Sunday of fumbled once. He said the Packers had begun taunting him in the third quarter. He said they chided, "Yoo haven't made a play all day! Hero! Zero!" It hurt, he said. So, when he made the winning catch, he was in tears.
Tears of joy. "I was just thankful,"
Owens said "I have been thinking about beating Green Bay since last season."

"I was open over the middle oo the play before," he said. "Steve this time just came right back to me. I saw it all of the way. And once I was there, I wasn't going to let them knock it away or knock

Young threw a 1-yard touchdown in the first half, Favre threw a 2-yard score and Dorsey Levens ran for a 2-yard score for the Packers. But San Francisco won the third quarter by 10-0 to take a 20-17 lead. Both teams hit field goals to start the fourth quarter, making it 23-20. Therecame Freeman's catch. Then came San Francisco started its drive at its 24 with 1:56 left. Young's 17-yard pass to J. J. Stokes began the drive. Theo another pass to Stokes for 9 more. Short

another pass to Stokes for ymore, short stuff hy Young kept moving the ball, chipping away. Green Bay adjusted by doubling its defense on the edges and forcing the 49ers to try something risky over the middle. Young passed to Jerry Rice for a 6yard gain to the Green Bay 41. Replays showed that Rice fumbled when hit, but it was not called. With eight seconds left, Young tried a pass toward Stokes again, and it hit the Packers' cornerback Craig Newsome squarely in the hands. Newsome bobbled it. Dropped it.

"You just don't lose a game like this: it's the worst thing that can happen, Holmgren said.



Terrell Owens of the San Francisco 49ers gathering in the crucial pass for a touchdown as Pat Terrell, left, and Darren Sharper defended.

### Team Flying High on Automatic Pilot

AN FRANCISCO — It's the

strangest show in sports. The San Francisco 49ers are operating on their own inertia, perhaps the ultimate testament to how brilliantly constructed their organization was in the first

There are an owner and a general manager in a titular sense, hur oot practically speaking. The head coach, whose team has lost just one home game in his two years in the job, knows he may be fired despite a record of 25-7.

Steve Mariocci, as sick as this sounds, could be replaced by the very coach he defeated Sunday, Mike Holmgren, the prodigal son.
Steve Young, the 49ers' elegant quarterback, tends to understate things. But

Sunday night, after the 49ers oegotiated one of the most bizarre weeks in the club's 17-year run of glory, he said with some degree of reflection, "I'd assume most organizations couldn't handle this kind of thing."

The plot seems to thicken every day. Eddie DeBartolo may be back as owner this spring, officially, but it's Denise DeBartolo York's team to run now. The former president, Carmen Policy, and his head of football operations, Dwight Clark, have departed for Cleveland. John McVay is the general manager in title, but said by insiders to be more of an oo-site supervisor until this mess is straightened out.

A guy named Larry Thrailkill. has been running part of the DeBartolo business empire, is now said to be running the 49ers.

"Disintegratioo" is the word Young used to describe what has happened to the 49ers at the top. And there's oo arguing that.

Thing is, the 49ers cootinge on. In some ways, they're only a shell of what they used to be on the field. The offensive line can't always protect Young. The defensive line has no backups to speak of, thus the desperate signing of the retired Charles Haley. There's Green Bay led, 17-10, at halftime. nobody to fire anybody or extend a Vantage Point/MICHAEL WILBON

contract. There's oobody running the

Mariucci, a man whose naiveté is as extraordinary as his appetite for hard work and good cheer, was led to believe he would be granted a contract extension but now knows better.

It's altogether possible, folks here say, that Mariocci could be given a pink slip instead of a contract extension. A sixth successive loss to the Packers oo Sunday might have increased the odds for his departure. Mariucci isn't much for showing his

emotions, but after his team's scintillating 30-27 victory over Green Bay, he acknowledged, "Yes, it was a long 'You focus on the game plan and the

stay out there. You bury yourself in your These are the heavy words from a man whose team was 13-3 last season,

game, and you let the other stuff just

12-4 this season.

XPECTATIONS are high in San Francisco. And everything about the game against the Packers had desperation written all over it. As in Chicago with Bulls' fans, winning had become so commonplace,

people just didn't get excited about it any more. mouthed and intimidating. There was a sense that the 49ers would need every

advantage possible to hang on, to stay alive, in a way the Dallas Cowboys couldn't oo Saturday. Young's pass to Terrell Owens was

the kind of game-ending play that deserves a nickname, deserves reliving over and over. Owens's catch was as tough as

Clark's in the 1981 National Football Conference championship game was graceful. Yet, it was the Packers who seemed to be reliving the moment more

San Francisco had far less gloat than you would expect from a team that had finally vanquished its tormentor. (Then again, maybe the 49ers knew that Jerry Rice's only catch of the day - a sixyarder that kept the drive moving slowly should have been ruled a fumble.)

Maybe the 49ers are just tired from the internal struggle, of trying to produce the expected results without the

executive help.

"It is one of the biggest catches in this organization's history," Manucci said, going on to compliment his staff not just for the game plan, but for "keeping this team positive and working hard."

It's easier when you have veterans such as Young, Rice, Tim McDonald, Chris Doleman, Ken Norton Jr., Merton Hanks, Ray Brown and Kevin Gogan. All this veteran presence and know-how, and Manucci's innocent but fierce enthusiasm, are getting them through the most difficult stretch the franchise has had since Bill Walsh/Joe Montana led the team to its first Soper Bowl in

Young deserves the applause more than anybody because he's been one of the league's great stars since 1991, when Montana's injuries finally allowed him into the lineup.

As great a player as Young has been, it took until Sunday to pull off a

A bullet over the middle, through triple coverage, for a game-winning toochdown against an archrival with three seconds left - that's Montana

Maybe the 49ers, taking a cue from Marincci, have all simply buried them-selves in their work, the better to not notice the disintegration around them. All along, through the close victories and the agonizing few losses, such as Nov. 1 at Green Bay, the 49ers have been convinced that all they've needed is a jump-start.

If this doeso't do it, nothing will.

### Jacksonville Eliminates Patriots and Girds for Jets

By Liz Clarke

JACKSONVILLE, Florida - With quarterback Mark Brunell back in the lineup but still hampered by a sprained ankle, the Jacksonville Jaguars put their faith in the rookie running back Fred

And Taylor delivered, rushing for 162 yards and a touchdown on 33 carries as the Jaguars defeated the New England Patriots, 25-10, in a first-round

AFC playoff game Sunday.
The Jaguars (12-5) exacted some retribution for losing to the Patriots in the
1996 American Football Conference championship game, and advanced to the AFC semifinal game Sunday against the host New York Jets. Meanwhile, Coach Pete Carroll of the Patriots saw his stock sink further with the loss: which revealed that without the team's starting quarterback, Drew Bledsoe, New England (9-8) isn't moch of a

Neither Brunell oor the Patriots' backup quarterback, Scott Zolak; looked sharp in what was a ragged game marred by dropped passes, botched re-turns and snaps, and woeful third-down

'He'll be a lot sharper as he gains confidence and after he played his way through this game," Tom Coughlin, the Jaguars' coach, said of Brunell, who was playing for the first time since Dec.

Brunell's timing and velocity were off early in the contest. After reinjuring his ankle late in the first half, he had to lobby Coughlin to stay in the game. But Brunell settled down to complete 14 of 34 passes for 161 yards, including a 377

-yard, fourth-quarter touchdown pass to Jimmy Smith. Mike Hollis kicked field goals of 35, 24, 34 and 21 yards. Zolak, making his third start in place of Bledsoe, who was out with a broken finger, was even more erratic. Except for two impressive series in the third quarter that out a 12-point halftime def-icit to two points, he lacked both touch and timing. He finished with 190 yards, completing 21 of 44 throws.

The game was won in an unexpected. 'area: The Jaguars effectively shut down; New England's running game. Jack sonville's defense, among the NFL's weakest against the run, held the Pat riots to 35 yards rushing on 19 plays (a 1.8-yard average). The rookie running back Robert Edwards, who gained 1.115 yards during the regular season. managed just 28.

But for the Jaguars to give the Jets

much of a contest, Brunell said, all: facets of their game must improve in the; coming week. "The whole team will have to be sharper." Brunell said. "Each week we have to get better and

Hollis produced the first quarter's: only points - two field goals - as both quarterbacks sought their bearings. The first field goal came after the Jaguars blocked a punt. The second capped an

eight-play, 60-yard drive highlighted by a 46-yard run by Taylor.

Brunell completed just three of his first eight throws. "He had a lot on it just a little hit too much mustard," just a little hit too much mustard," the wide receiver Keenan McCardell said 'I think he was real anxious to get back in the mix."

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*SPORTS* 

By Murray Chass

do I stand?" Ryan asked in return.

Carlton, both having passed Walter

Johnson, the longtime record-holder, during the 1983 season. But it was typical

of Ryan that he was not aware that he was

No. 1. He did his work on the mound and

On Tuesday many of those who kept

track will recognize the work Ryan did

on the mound by electing him to the Hall

of Fame. George Brett, the oft-injured but brilliant third baseman, is also ex-

pected to be elected on his first time on the ballot.

the required waiting period for first-time candidates, Robin Yount had also

been viewed as a certain 1999 inductee.

But more recently his chances of elec-

tion have been considered a toss-up.

hirst-timers who are expected to receive

Baseball Writers Association, have not

elected two players to the Hall in one year since 1992; they have not elected

more than two since 1991. Only once

have more than two first-timers made it

the same year, and that was in 1936, the

Interestingly, when Ryan was well

into his career and had already made his

mark on the game, his critics said he

would not be worthy of the Hall of Fame

because he did not have an impressive

winning percentage and he walked too

Indeed, Ryan holds the record for

most career walks (2,795), and he has

the lowest winning percentage (.526) of

the 20 pitchers who gained 300 vic-

the man from Alvin, Texas, achieved in

his 27-year career, in which he compiled

How did his race with Carlton turn

ont? When Ryan struck out Brad Mills of Montreal on April 27, 1983, he broke

Johnson's 56-year-old record of 3,508.

Carlton finished that season ahead of

a 324-292 record with a 3.19 ERA

ies. But no pitcher ever has done what

first year the election was held.

The voters, 10-year members of the

heavy support.

At times during the past five years,

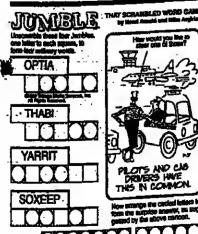
let others keep track of the numbers.

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"THEY SHOULD MAKE REAR-VIEW HORNS, SO YA COULD HONK AT DAIL-GATERS!"



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### Ryan Leads Strong Slate For Hall of Fame Ballot Ryan, 3,709 to 3,677. But when Ryan struck out Chili Davis on Sept. 5, 1984, he nudged ahead of Carlton and never

NEW YORK - At about this time 14 years ago, Nolan Ryan was asked what he looked back. Carlton finished with thought about his race with Steve Carlton for the career strikeout record, "Where strikeouts. When Greg Myers of Califormia struck out on Sept. 17, 1993, he became Ryan's 5,714th and last strikeout in 5,387 innings. Not that Ryan Ryan was two strikeouts ahead of would know or care, but he finished with 38 percent more strikeouts than Carlton, percent more than Johnson.

There was also the matter of Ryan's seven no-hitters. Only one other pitcher, Sandy Konfax, pitched as many as four no-hitters. Ryan pitched his first and last no-hitters 18 years apart.

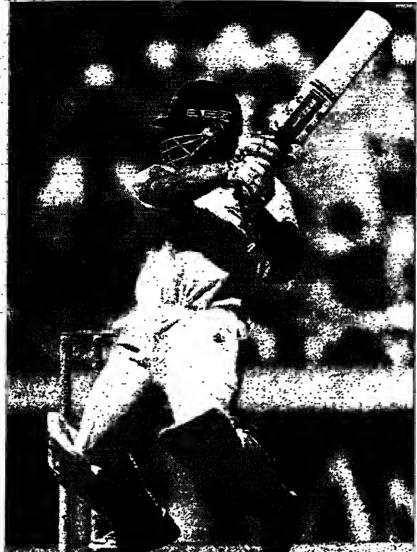
Ryan, who began his major league career with the New York Mets in 1966, also holds the record for most seasons played, another of more than 50 records he held or shared when he returning but the 1993 season. A hard-throwing but erratic right-hander for the Mets. Ryan was one of four players they traded to the California Angels for Jim Fregosi on Dec. 10, 1971. The other three players did not have quite the career Ryan went on to have,

Ryan left the Angels after the 1979 season and became baseball's first \$1 million-a-year player when he signed with the Houston Astros as a free agent. The Astros, mistakenly thinking that the 41-year-old Ryan was near the end of his career, let him go as a free agent after the 1988 season, and he pitched another five years for the Texas Rangers.

When he struck out 301 batters in his first season with the Rangers, it was the sixth time he had surpassed 300 and the first since 1977. He also pitched nohitters Nos. 6 and 7 with the Rangers.

Brett struck out 18 times against Ryan (Claudell Washington, with 39, was Ryan's most frequent victim). He also had 29 hits (no home runs), but his performance against Ryan is not why Brett will he elected to the Hall of Fame.

In his 21 seasons, all with the Kansas City Royals, Brett, primarily a third baseman, collected 3,154 hits, placing him 13th among the 21 players who have reached the 3,000-hit plateau. He won three batting championships while posting a .305 career average. When he hit .390 in 1980, it was the closest anyone had come to .400 since Ted Williams batted 406 in 1941.



Michael Slater playing a cut shot on a ball from England's Darren Gough.

### Slater Slows English Fight Back

SYDNEY - Michael Slater made 123 out of Australia's second innings of 184 Monday on the third day of the fifth and final test. England reached 104 for two wickets at the close to trail by 183. Slater appeared to have been run out

on 35. He began to walk toward the pavilion but Simon Tanfel, the third umpire, gave him the benefit of the doubt cause replays were inconclusive. Slater contributed 66.85 percent of Australia's total, the second highest ra-

percent) in the first Ashes test of 1877. Mark Waugh, with 24, was the only other Australian to reach double figures. Peter Such, England's off-spinner, took five for 81 on a turning wicket.

In Hamilton, New Zealand, Rahul Dravid scored 190 as India made 416 in its first innings in the third test against New Zealand. New Zealand reached 45 runs without loss in its second innings to

 In Cape Town, South Africa bowled West Indies out for 212 and reached 91 for tio in test history. Charles Bannerman three in its second innings to lead the fourth hit 165 out of Australia's 245 (67.34 test by 285 runs after the third day.

### FIFA Won't Follow IOC on Drug Penalty

The Associated Press

BRUSSELS — Soccer will refuse to impose the tougher drug penalties demanded by the International Olympic Committee, Michel D'Hooghe, the chief medical officer for the sport's governing body, said Monday.

'Even if FIFA stands alone, it is old and big enough to take care of itself." said D'Hooghe, the chairman of the FIFA medical committee.

Sepp Blatter, the FIFA president, is to meet Juan Antonio Samaranch, the IOC president, on Wednesday to try to resolve their differences on doping before the world anti-drug meeting in Lausanne, Switzerland, from Feb. 2 to Feb. 4.

The IOC wants all Olympic sports federations to apply common rules and penalties, including a minimum two-year suspension for athletes using major performance-enhancing drugs. If federa-tions refuse, they risk being dropped from the Olympic program. Of the 35 Olympic federations, only soccer, cycling and ten-nis have expressed reservations.

"FIFA will never change its opinion on this," D'Hooghe said. "You really don't think we will come around to the two-year proposal, do you?"

Soccer is an uneasy part of the Olympics. To ensure that the socces competition does not compete with its own World Cup, FIFA imposes an age limit on players. The threat of being thrown out of the Olympics is not as serious for soccer as for other sports.

D'Hooghe said FIFA agreed with the 1OC on the basic principles of doping but believed that a two-year minimum ban would not stand up in court. He said it was illogical to apply the

same sanctions for a sailor, whose career can span decades, and a soccer player. D'Hooge said a two-year exclusion from soccer often "comes down to the end of a career," since soccer players need a long time to get back into the swing of team play at the top level. Other athletes, on the other hand, could continue training and perform at the top level

as soon as a ban ended, D'Hooghe said.

### Top English Soccer Official Resigns in Financial Scandal

LONDON - Keith Wiseman resigned as chairman of the English Football Association on Monday as a result of a financial scandal.

Wiseman appeared at a meeting of the 91-member FA Council in London a month after the executive committee unanimously called for his resignation.

After more than two hours of debate, Keith Wiseman told the FA Council he did not believe he had sufficient support to continue in his position," said David Davies, the FA's executive director. "He offered his resignation

with immediate effect." Graham Kelly, the FA chief executive, quit last month after the executive committee heard how he and 'Viseman had approved a £3.2 million 1. 5.3 million) grant to the Welsh Footh: Association without their permission.

Although Kelly and Wiseman have

maintained they did nothing wrong, the grant has been interpreted as a move to gain the Welsh FA's vote to try to elect Wiseman to international soccer com-

#### ■ FIFA Suspends Cameroon

FIFA, the governing body of world soccer, on Monday suspended Came; roon's soccer federation for an indefinite period, excluding the national team and the country's clubs from international competitions and friendly matches. The Associated Press reported from Zurich.

FIFA said the decision was in response to a fax from the country's Sports Ministry expressing reservations over previously agreed plans for the

FIFA dissolved the federation in November because of financial problems and appointed an interim executive to run the organization.

#### Wings Fly Back From Slump With 2d Straight Over Hawks

The Detroit Red Wings, having lost seven straight long rebound shot from the games, are suddenly on a. Jeft circle, gave the Black, The victims in both cases were the struggling Chica-

go Blackhawks. The Blackhawks took an early lead Sunday in

#### NHL ROTHDUP

Chicago, but the Red Wings responded with a a 3-1 lead before holding pair of power-play goals in the second period and went on to a 3-1 victory.

On Samrday, the Red Wings beat the Blackhawks, 5-2, in Detroit with a three-goal barrage within 73 seconds.

DENNIS THE MENACE

Todd White's third goal of the season Sunday, off a seconds into the second Five minutes later, the Red Wings tied it on the power play with a goal by Tomas Holmstrom. Joe Murphy later scored the go-ahead

goal on a rebound. Flyers 3, Oilors 3 In Edmonton, Philadelphia blew on for the draw that extended the Flyers' un-

beaten streak to 11 games. Roman Hamrlik and Boyd Devereaux scored 64 seconds apart late in the third period to cap the Oilers' comeback.

**PEANUTS** 

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### SCOREBOARD



Second Petiod: E-Bergret (1) (Altronov) 3. P.-Designifies 6, 4. P.-Jones 8 (Brinst Amber, LeCialr) Third Period: E-Honetik 4 (Altronov, Boronek) (pp). & E-Deversoux 4 (Hoss/BO goat: P. 12-10-40-26. E- 7-12-73-29. Goaties: P-Vanbiesbroock. E-Shiptenkey. Detroit: 0 2 1-3 1st Period: None. 2d Paried: C-White 3 (Emerson). 2. D., Holmstrom 8 (Lidsfrom, Marphy) (pp). 3. D-Marphy 7 (Lidsfrom, Kazlov) (pp). 3d Paried: D-G8I 3 (Yzumon, Larforaw) (en). Shots on goat: D-10-11-5-26. C-5-9-13-27. Goelles: D-Osgood. C-

FOOTBALL NFL PLAYOFFS

WED CARDS

#### BASKETBALL U.S. COLLEGE SCORES MEN

Boston U. 64, Towner 58

St. Josephs 64, St. Bono Temple 82, La Solle 45 DePaul 93, Houston 82 WOMEN

TOP 3.5 1.2 Tests (17-1) dr. No. 15 Robject (18-2) 68-54. No. 3 Partine (9-1) at Chia State, ppd. No. 4 Go. (12-0) def. No. 14 Ata. 10-4) 85-70. Na. 12 Pega St. 69-21 del. Minnesota 72-43. No. 13 Old Dem. (S-2) def. G. Muson 94-69. No. 19 Nebrusha (12-2) def. Missouri 83-67.

THE AP WOMEN'S TOP 25

#### CRICKET OUTH AFRICA VS. WEST INDIES POURTH TEST, THERD DAY MONDAY IN CAPE TOWN IN AIrica: 406-8 declared and 91-3. NEW ZEALAND VS. INDIA

New Zepland: 366 and 45-0. AUSTRALIA VS. ENGLAND MONDAY IN SYDNEY Austroão: 322 and 184

QUIENCLAND ACADEMY VS. OLAND ONE-DAY TEAM ONE-DAY MATCH MONDAY IN BRISBANE

ingland: 714-6 innings closed. Recensiond Academy: 170-7 innings close England won by 44 rens.

SOCCER

SPANISHI FREST DIVESION

Real Zaragaza 3. Departivo La Caruna 1
STANISHISES. Additora 29 points: Vigo 28:
Valencia 29: Affetica Madrid 26: Athlytic Blibas 26: Barcelona 25: Real Madrid 25: Coruna
24: Zaragaza 24: Oviedo 24: Real Sociedad 22:
Betis 22: Espanyol 20: Villarreal 19: Racing

16; Valladolid 18: Salamanca Extremadura 15; Tenerife 13.

TENNIS

SWEDEN 2, UNITED STATES 1 nbill 7-6 (7-2), 6-4.

FRANCE 2, SPAIN 1
Sondrine Testud, Fr., def. Aranbia Sond hez-Victria, Sp., 6-4, 6-3; Carlos Moya, Sp., def. Guillaume Robux, Fr., 7-6 (7-3), 2-6, 6-3. Racust and Tosted def. Mayo and Sanchez-

### TRANSITIONS

NATIONAL FOOTBALL LEAGUE FFALO-Announced relifement

NATIONAL HOCKEY LEAGUE LADO—Regssigned C Serge Aubin to

IOWA STATE-Reinstated reds

#### CALVIN AND HOBBES MOMMM! I'M HOME FROM SCHOOL! OPEN

Indiano 7, Oktahorse St. 7, W. Kentucky 7, SV Alesauri St. 6, Baylor S. N. Carolina St. 4 Tulane 4, Vanderbill 4, Arizona 3, Utub 3

13. Urginia Tech 15. Rutgers 16. lawa St. 17. Penn St. 18. Alabama 19. Fiorida 20. Nebraska



OPIE IS OFF ON AN AROUND-THE-WORLD BALLOON TRIP!



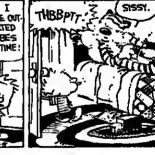


















#### NON SEQUITUR

CROSSROADS AT THE END OF THE IS MINUTE WALK OF FAME.











### The Real Ozone Hole

the main cause of global warming. It is the hot air now being produced by the Congress of the United States. Applebaum.

Heinrich renowned professor of the Academy Scientists, revealed that

Dysfunctional most of the thinning of the ozone is caused by speeches being produced on the floors of

Buchwald the House and Senate. It is also produced by the same politicians appearing on "Meet the Press," "This Week With Sam and Cokie"

and "Face the Nation." "It's serious," he told me, "particularly with the imchment debate coming up. The Republican charges expressed on the Senate floor could wipe out the human race. It could raise the global temperature by 40 degrees."
"But you have to have an impeachment trial" I said

'It's in the Constitution." "Don't ask scientists involved in the environment to choose between White House hanky-panky and sunburn."

Applebaum produced a layer before the House started could tear the ozone apart."

NEW YORK — The big news out of Washington is that they have discovered that they have discovered to debate impeachment. Now this graph shows what happened when everyone began to discuss high crimes and

misdemeanors." "What a difference," I said. "Do you want to call off

the impeachment trial?" "Something has to be done. The House osed all of Washington's ozone in its debate. If the Senate begins to

talk, they could turn Texas into a wasteland."

The idea of putting a gag on political speeches is not a new one. What is new is that people are advocating it during a trial of the president of the United States.

A politician said, "I'm willing to save the environment if Clinton admits that he perjured himself and will never do

it again so help him God."
"That's fair," I admitted.
Another said, "I am not going to mix bananas and or-

"That's fair," I admitted. What disturbs some in Congress is that they are being blamed for what automobiles

are doing to the atmosphere.
"But," Applebaum said,
"if they go ahead with the
hearings, then I would advise everyone to load up on sunblock. Whether he realizes it graph. "This was the ozone or not, Jesse Helms's speech

#### Oueen's Ornaments to Be Sold

Agence France-Presse
ONDON — Queen Elizabeth II will auction her Christmas tree decorations to raise money for a children's charity, Buckingham Palace says. About 400 ornaments will go on sale at the Victoria and Albert Museum next week.

The Sunday Mirror said the sale could raise £100,000 (\$166,000) for the Society of Stars charity, which helps children with cerebral palsy. The designer Zandra Rhodes created a distinctive pink-haired fairy for the tree, while other decorations included a hand-embroidered queen's crown edged with pearls and sequins.

### For Two Writers, Devotion Refuses to Yield

By Sarah Lyall New York Times Service

OXFORD, England --- Iris Mur-doch, the celebrated author of 26 rigorously intellectual novels. stood uncertainly in the doorway, her face frozen in the blank expression that is a badge of in the poet's tenderly ambiguous Alzheimer's. It was only when she words," he writes, in a typically saw her husband, the writer John graceful passage. "There is a certain Bayley, that a flicker of comprehension sparked in her eyes. But it

was gone, as quickly as it came.

It felt at first like a terrible intrusion, being in the house with the couple. It was unbearably sad to see the once-brilliant Murdoch, 79, shuffle slowly into the room, sit stiffly and then do nothing but stare intently ahead. And it was unbearably sad when Bayley began ex-plaining in his unself-pitying, slightly quizzical way what life is like now that Alzheimer's has his

wife firmly in its grasp. But Bayley and Mordoch, whose relationship began more than 40 years ago when be saw her bicycling past his window in Oxford and fell instantly in love, have never had an ordinary relationship. And by the end of a morning with them, it was impossible not to bebeve that - however odd it may seem - they have made their peace, and are alone together in a

world that somehow suits them. "Elegy for Iris."

The book has drawn glowing reviews, both as a lyric description of the arc of a singular marriage and as an unflinching account of the frustrations of Alzheimer's.

There were slight rumblings in the British media about Bayley's motives for writing the book. Wasn't it cruel to expose Murdoch this way, they asked? But Bayley is not embarrassed by his wife's state, and neither should anyone else be, he said. "When something like this

ginning, he continued, stuttering as he does when he speaks quickly, he fought and raged against his wife's descent into unknowingness. But he is past that now, and his anger has

given way to acceptance. "Life is no longer bringing the pair of us 'closer and closer apart,' comic irony — happily, not darkly comic — that after more than 40 years of taking marriage for granted, marriage has decided it is tired of this and is taking a hand in the game. Purposefully, persistently, involun-

tarily, our marriage is now getting somewhere. It is giving us no choice—and I am glad of that."

The book is divided into two parts. The first, "Then," tells how Bayley a young and energacularly Bayley, a young and spectacularly unworldly scholar, was smitten from the moment he glimpsed Mur-doch. But she, a brilliant sign star who was then teaching philosophy at St. Anne's College Orford at St. Anne's College, Oxford, proved clusive. When they embraced for the first time, speaking in a childish shorthand, "with arms around each other, kissing and rubbing noses," he writes, he began to understand that she needed him as much as he needed her.

Deciding not to have children, they went on to have glittering careers, although Murdoch's was the Bayley, who at 73 seems like a more public success. As she was wholly sweet and slightly eccentric uncle, makes a passionate case for this view in his new memoir, Empire, Bayley was making his own mark, as a teacher (he retired several years ago as the Warton professor of English literature at Oxford), reviewer and literary critic whose many books include smdies of Thomas Hardy, Jane Austen and Henry James, as well as four

> "Elegy for Iris" is studded with literary references - it is clear that he has found solace in literature --but in conversation Bayley is so self-effacing that it is easy to forget his formidable intellect

happens, you lose all sense of shame For them both, marriage has agitated when he is away, and be and privacy." be said. In the be-For them both, marriage has agitated when he is away, and be



Iris Murdoch with her busband, John Bayley.

secure haven that allows them their independence together. In an odd way, Bayley said, this has helped him deal with the constraints of the present. He looks forward to the end of the day, when his wife is safely asleep and he can pour himself a drink and revisit the comforts of one of his favorite books, typically a well-worn novel by Bar-

bara Pym or Austen.
"A solitary life is splendid, provided you can lead it with someone else," he said. "That's paradoxical, but it's extremely true in our case. We've always had that sort of life; she had her life, and I had mine. And now one can have that same sort of thing. I do have that solitary life because she's there, and I couldn't have it on my

own. It would simply disappear.' Bayley says he would not consider putting Murdoch in a oursing home unless she became completely unmanageable and no longer recognized him. She grows

"I don't know what to do by myself when she's not there," he said. "Now," the second part of the book, takes up their story in the mid-1990s, when the first signs of Alzheimer's manifested themselves. It is a chilling account. Murdoch cannot find her words during a question-and-answer session in Israel. She sets off for London and returns three bours later, having forgotten where she was going.

She has trouble writing, for the first time ever (the novel she is working on, "Jackson's Dilemma," turned out to be her last, and Murdoch aficionados were puzzled by the inconsistencies in character and plot). Later, when a doctor asks her who the prime minister is, she is stymied. "She had no idea, but said to him with a smile that surely it didn't matter," Bayley writes.

Mercifully, Murdoch didn't

seem aware of what was happening and didn't rebel against it, partly because she never had much of a

nse of self, anyway, Bayley said. do anything else to you, so to speak...

"She didn't have a great deal of It's a loss of fear." sense of self, anyway, Bayley said.

consciousness of her own," he said. "Coleridge mentioned the distinction between writers who live entirely in their selves and writers like Shakespeare who seem to live a complex external life inside their creations. Iris was like. that. She was extremely sociable and liked to bear about otherpeople's lives, but she was very

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incurious about her own." When Bayley finished the book a year ago, Murdoch could have oc casional conversations. Very rarely, she still shows flickers of herold self, but her condition is muchworse now. He has to lock the front door so she won't wander down the street. He can't take her swimming in the river they have always loved, for fear that she will suddenly forget how to swim. One of the highpoints of their days together is when "Teletubbies," a children's

television show, comes on Murdoch is like "a very nice 3year-old," ber husband says, and needs to be fed, bathed and changed. And there is the constant strain of meals to be prepared, of dishes to be done, of a house to.

Strangely enough, Bayley said, he feels the Iris of today — the shuffling, uncomprehending Iris — is the same Iris he knew before, the one of the sparkling conversation, and the endlessly questioning mind. For the first time in their long. life together, he says, they are completely entwined, entirely symbiotic. It is a sensation he relishes,

"Every day, we are physically closer," Bayley writes in "Elegy, for Iris." "And Iris' little mouse. cry,' as I think of it, signifying loneliness in the next room, the wish to be back beside me, seems less and less forlorn, more simple, more natural. She is not sailing into the dark. The voyage is over, and under the dark escort of Alzheimer's, she has arrived somewhere. So have L''

What does he mean? He tries to explain: "You feel that they can't

#### **PEOPLE**

20th Century-Fox and Thai officials, accusing them of bear vine an idyllic beach to film a movie. Villagers of Phi Phi island say the fragile eco-system on Maya beach on Phi Phi would be demaya beach on Phi Phi would be destroyed by newly planted cocount trees and dune shaping for the project, a film adaptation of Alec Garland's cult novel, "The Beach," starring Leonardo DiCaprio. Fox officials have put up a 5 million baht (\$136,000) bond against appringmental damage Forestry Deenvironmental damage. Forestry Department officials ordered a halt to preproduction in November for an environmental impact study, bot ruled last month that any damage caused by the filming could be repaired. Thailand re-

cently refused Fox permission to film a

remake of "The King and I" in the

country, saying the script did not show

sufficient respect to the Thai mon-

Hills, Michigan, received two personal

All Star Limousine of Bloomfield

RESIDENTS of a resort island off checks totaling \$3,753.58 oo Monday from the singer Aretha Franklie, whom the company had sued on Dec. 1, demanding pays at for 18 limousine runs. The lawsuit is being dropped, according to the company's owner, Bob Beatel, who had said earlier that he was reluctant to take on the Queen of Soul in

finally go to these measures to get paid what we were due," Beutel said.

Princess Anne was the busiest member of the British royal family in 1998, attending the most official engagereluctant to take on the Queen of Soul in ments, a survey showed. Her mother, court. "I just think it is a shame to Queen Elizabeth II, had a much less

### Film Critics Reward Steven Soderbergh

New York Intel Service

New York — "Out of Sight," Steven Soderbergh's adaptation of an Elmore Leonard novel, with Jennifer Lopez and George Clooney as shrewd, sexy opposites who attract, was voted best film of 1998 by the National Society of Film Critics, a 51-member group of critics from New York, Boston, Los Angeles, Chicago and other cities. Soderbergh's zesty and entertaining genre film became an unexpected winner after several earlier ballots had favored "Saving Private Ryan" and "Affliction." Those became the best film rumers-up.

Soderbergh was also voted best director, followed by a tie between Steven

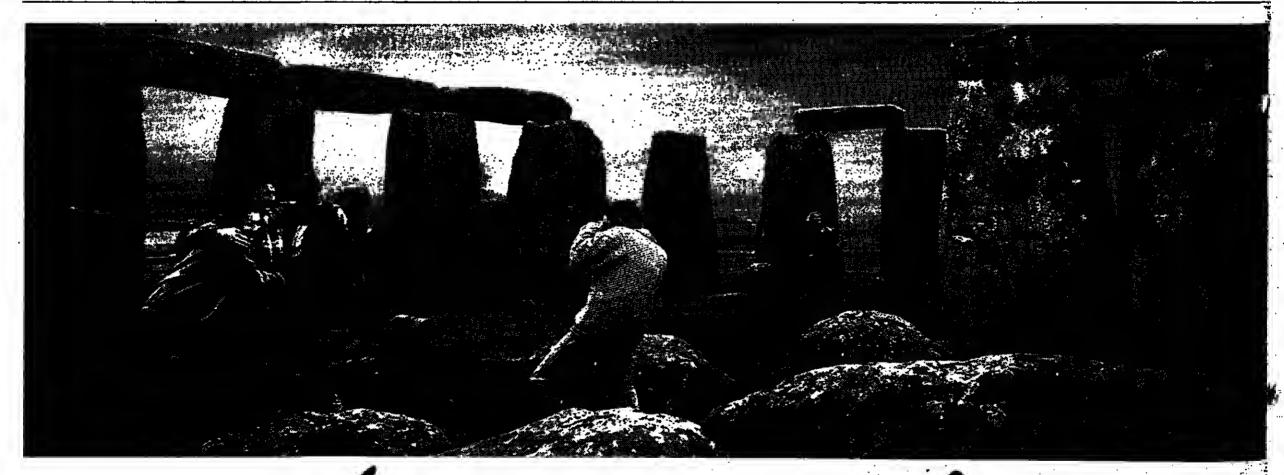
Soderbergh was also voted best director, followed by a tie between Steven Spielberg and Terrence Malick for the year's huge World War II epics, "Ryan" and "The Thin Red Line." Nick Nolte woo the best actor award for his performance as a man struggling with relentless pressures in "Affliction." Best actress honors went to Ally Sheedy, as a photographer and decadent recluse in "High Art."

active year in 1998 — her number of official engagements dropped by nearly a fifth from the year before. The London Times why showed anneat the top of the "busy league" in 1998 with 679 engagements... Prince William has opted out of the traditional weeklong skiing vacation with his father, Prince Charles, at the Swiss resort of Klosters, Buckingham Palace said. Charles and his youngest son, 14-year-old Prince Harry, arrived in Klosters on Sunday, without the 16-year-old William. He is understood to have chosen to stay in Britain to "do his own thing."

The German actress Elke Sommer has won the latest round in a longrunning dispute with Zsa Zsa Gabor and ber German husband, Prince Frederick von Anhalt. A court in Nuremberg rejected an appeal from the prince, who had been ordered by a lower court to stop telling people that Sommer had once called all German men "pigs." But the court did not order von Anhalt to make a full retraction.



LET'S EAT.— Two women slice up a mi City for a traditional Mexican celebration. The loaf required 33,000 410 gallons of milk, 2,470 pounds of sugar and 13,200 pounds of flour;



take in a rock show

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